

STATE OF MINNESOTA

NINETIETH SESSION — 2018

EIGHTY-FOURTH DAY

SAINT PAUL, MINNESOTA, MONDAY, APRIL 23, 2018

The House of Representatives convened at 1:00 p.m. and was called to order by Tony Albright, Speaker pro tempore.

Prayer was offered by Chaplain Captain Michael Golay, Airforce Chaplain assigned to the 319th Airbase Wing at Grand Forks, North Dakota.

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

Representative Paul Thissen, District 61B, resigned from his seat effective Friday, April 20, 2018 to accept an appointment as an Associate Justice of the Minnesota Supreme Court.

The roll was called and the following members were present:

| | | | | | |
|--------------|------------|---------------|------------|------------|------------|
| Albright | Dehn, R. | Heintzeman | Lien | O'Driscoll | Schultz |
| Allen | Dettmer | Hertaus | Loeffler | Olson | Scott |
| Anderson, P. | Drazkowski | Hilstrom | Lohmer | Omar | Smith |
| Anderson, S. | Ecklund | Hoppe | Loon | O'Neill | Sundin |
| Anselmo | Erickson | Hornstein | Loonan | Pelowski | Swedzinski |
| Backer | Fabian | Hortman | Lucero | Peppin | Theis |
| Bahr, C. | Fenton | Howe | Lueck | Petersburg | Torkelson |
| Baker | Fischer | Jessup | Mahoney | Peterson | Uglem |
| Bennett | Flanagan | Johnson, B. | Marquart | Pierson | Urdahl |
| Bernardy | Franke | Johnson, C. | Masin | Pinto | Vogel |
| Bliss | Freiberg | Jurgens | Maye Quade | Poppe | Wagenius |
| Bly | Garofalo | Kiel | McDonald | Poston | Ward |
| Carlson, A. | Green | Knoblach | Metsa | Pryor | West |
| Carlson, L. | Grossell | Koegel | Miller | Pugh | Whelan |
| Christensen | Gruenhagen | Koznick | Moran | Quam | Wills |
| Clark | Gunther | Kresha | Munson | Rarick | Youakim |
| Considine | Haley | Kunesh-Podein | Murphy, M. | Rosenthal | Zerwas |
| Daniels | Halverson | Layman | Nash | Runbeck | Spk. Daudt |
| Davids | Hamilton | Lee | Nelson | Sandstede | |
| Davnie | Hansen | Lesch | Newberger | Sauke | |
| Dean, M. | Hausman | Liebling | Nornes | Schomacker | |

A quorum was present.

Applebaum; Barr, R.; Becker-Finn; Franson; Johnson, S.; Lillie; Mariani; Murphy, E.; Neu and Slocum were excused.

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 CHIEF CLERK

S. F. No. 2484 and H. F. No. 2739, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Hertaus moved that S. F. No. 2484 be substituted for H. F. No. 2739 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3466 and H. F. No. 3997, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Nash moved that S. F. No. 3466 be substituted for H. F. No. 3997 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3596 and H. F. No. 3523, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Anderson, P., moved that S. F. No. 3596 be substituted for H. F. No. 3523 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES AND DIVISIONS

Dean, M., from the Committee on Health and Human Services Finance to which was referred:

H. F. No. 3138, A bill for an act relating to human services; modifying the Department of Human Services administrative funds transfers; transferring money; amending Laws 2017, First Special Session chapter 6, article 18, section 16.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
DEPARTMENT OF HEALTH AND PUBLIC HEALTH

Section 1. Minnesota Statutes 2017 Supplement, section 103I.005, subdivision 2, is amended to read:

Subd. 2. **Boring.** "Boring" means a hole or excavation that ~~is not used to extract water and~~ includes exploratory borings, bored geothermal heat exchangers, temporary borings, and elevator borings.

Sec. 2. Minnesota Statutes 2017 Supplement, section 103I.005, subdivision 8a, is amended to read:

Subd. 8a. **Environmental well.** "Environmental well" means an excavation 15 or more feet in depth that is drilled, cored, bored, washed, driven, dug, jetted, or otherwise constructed to:

(1) conduct physical, chemical, or biological testing of groundwater, and includes a groundwater quality monitoring or sampling well;

(2) lower a groundwater level to control or remove contamination in groundwater, and includes a remedial well and excludes horizontal trenches; or

(3) monitor or measure physical, chemical, radiological, or biological parameters of the earth and earth fluids, or for vapor recovery or venting systems. An environmental well includes an excavation used to:

(i) measure groundwater levels, including a piezometer;

(ii) determine groundwater flow direction or velocity;

(iii) measure earth properties such as hydraulic conductivity, bearing capacity, or resistance;

(iv) obtain samples of geologic materials for testing or classification; or

(v) remove or remediate pollution or contamination from groundwater or soil through the use of a vent, vapor recovery system, or sparge point.

An environmental well does not include an exploratory boring.

Sec. 3. Minnesota Statutes 2017 Supplement, section 103I.005, subdivision 17a, is amended to read:

Subd. 17a. **Temporary environmental well boring.** ~~"Temporary environmental well" means an environmental well as defined in section 103I.005, subdivision 8a, that is sealed within 72 hours of the time construction on the well begins. "Temporary boring" means an excavation that is 15 feet or more in depth that is sealed within 72 hours of the start of construction and is drilled, cored, washed, driven, dug, jetted, or otherwise constructed to:~~

(1) conduct physical, chemical, or biological testing of groundwater, including groundwater quality monitoring;

(2) monitor or measure physical, chemical, radiological, or biological parameters of earth materials or earth fluids, including hydraulic conductivity, bearing capacity, or resistance;

(3) measure groundwater levels, including use of a piezometer;

(4) determine groundwater flow direction or velocity; or

(5) collect samples of geologic materials for testing or classification, or soil vapors for testing or extraction.

Sec. 4. Minnesota Statutes 2017 Supplement, section 103I.205, subdivision 1, is amended to read:

Subdivision 1. **Notification required.** (a) Except as provided in paragraph (d), a person may not construct a water-supply, dewatering, or environmental well until a notification of the proposed well on a form prescribed by the commissioner is filed with the commissioner with the filing fee in section 103I.208, and, when applicable, the person has met the requirements of paragraph (e). If after filing the well notification an attempt to construct a well is unsuccessful, a new notification is not required unless the information relating to the successful well has substantially changed. A notification is not required prior to construction of a temporary ~~environmental well boring~~.

(b) The property owner, the property owner's agent, or the licensed contractor where a well is to be located must file the well notification with the commissioner.

(c) The well notification under this subdivision preempts local permits and notifications, and counties or home rule charter or statutory cities may not require a permit or notification for wells unless the commissioner has delegated the permitting or notification authority under section 103I.111.

(d) A person who is an individual that constructs a drive point water-supply well on property owned or leased by the individual for farming or agricultural purposes or as the individual's place of abode must notify the commissioner of the installation and location of the well. The person must complete the notification form prescribed by the commissioner and mail it to the commissioner by ten days after the well is completed. A fee may not be charged for the notification. A person who sells drive point wells at retail must provide buyers with notification forms and informational materials including requirements regarding wells, their location, construction, and disclosure. The commissioner must provide the notification forms and informational materials to the sellers.

(e) When the operation of a well will require an appropriation permit from the commissioner of natural resources, a person may not begin construction of the well until the person submits the following information to the commissioner of natural resources:

- (1) the location of the well;
- (2) the formation or aquifer that will serve as the water source;
- (3) the maximum daily, seasonal, and annual pumpage rates and volumes that will be requested in the appropriation permit; and
- (4) other information requested by the commissioner of natural resources that is necessary to conduct the preliminary assessment required under section 103G.287, subdivision 1, paragraph (c).

The person may begin construction after receiving preliminary approval from the commissioner of natural resources.

Sec. 5. Minnesota Statutes 2017 Supplement, section 103I.205, subdivision 4, is amended to read:

Subd. 4. **License required.** (a) Except as provided in paragraph (b), (c), (d), or (e), section 103I.401, subdivision 2, or 103I.601, subdivision 2, a person may not drill, construct, repair, or seal a well or boring unless the person has a well contractor's license in possession.

(b) A person may construct, repair, and seal an environmental well or temporary boring if the person:

- (1) is a professional engineer licensed under sections 326.02 to 326.15 in the branches of civil or geological engineering;
- (2) is a hydrologist or hydrogeologist certified by the American Institute of Hydrology;
- (3) is a professional geoscientist licensed under sections 326.02 to 326.15;
- (4) is a geologist certified by the American Institute of Professional Geologists; or
- (5) meets the qualifications established by the commissioner in rule.

A person must be licensed by the commissioner as an environmental well contractor on forms provided by the commissioner.

(c) A person may do the following work with a limited well/boring contractor's license in possession. A separate license is required for each of the four activities:

(1) installing, repairing, and modifying well screens, pitless units and pitless adaptors, well pumps and pumping equipment, and well casings from the pitless adaptor or pitless unit to the upper termination of the well casing;

(2) sealing wells and borings;

(3) constructing, repairing, and sealing dewatering wells; or

(4) constructing, repairing, and sealing bored geothermal heat exchangers.

(d) A person may construct, repair, and seal an elevator boring with an elevator boring contractor's license.

(e) Notwithstanding other provisions of this chapter requiring a license, a license is not required for a person who complies with the other provisions of this chapter if the person is:

(1) an individual who constructs a water-supply well on land that is owned or leased by the individual and is used by the individual for farming or agricultural purposes or as the individual's place of abode; or

(2) an individual who performs labor or services for a contractor licensed under the provisions of this chapter in connection with the construction, sealing, or repair of a well or boring at the direction and under the personal supervision of a contractor licensed under the provisions of this chapter; ~~or.~~

~~(3) a licensed plumber who is repairing submersible pumps or water pipes associated with well water systems if: (i) the repair location is within an area where there is no licensed well contractor within 50 miles, and (ii) the licensed plumber complies with all relevant sections of the plumbing code.~~

Sec. 6. Minnesota Statutes 2016, section 103I.205, subdivision 9, is amended to read:

Subd. 9. **Report of work.** Within ~~30~~ 60 days after completion or sealing of a well or boring, the person doing the work must submit a verified report to the commissioner containing the information specified by rules adopted under this chapter.

Within 30 days after receiving the report, the commissioner shall send or otherwise provide access to a copy of the report to the commissioner of natural resources, to the local soil and water conservation district where the well is located, and to the director of the Minnesota Geological Survey.

Sec. 7. Minnesota Statutes 2017 Supplement, section 103I.208, subdivision 1, is amended to read:

Subdivision 1. **Well notification fee.** The well notification fee to be paid by a property owner is:

(1) for construction of a water supply well, \$275, which includes the state core function fee;

(2) for a well sealing, \$75 for each well or boring, which includes the state core function fee, except that a single fee of \$75 is required for all temporary ~~environmental wells~~ borings recorded on the sealing notification for a single property, ~~having depths within a 25-foot range, and sealed within 72 hours of start of construction, except that temporary borings less than 25 feet in depth are exempt from the notification and fee requirements in this chapter;~~

(3) for construction of a dewatering well, \$275, which includes the state core function fee, for each dewatering well except a dewatering project comprising five or more dewatering wells shall be assessed a single fee of \$1,375 for the dewatering wells recorded on the notification; and

(4) for construction of an environmental well, \$275, which includes the state core function fee, except that a single fee of \$275 is required for all environmental wells recorded on the notification that are located on a single property, and except that no fee is required for construction of a temporary ~~environmental well~~ boring.

Sec. 8. Minnesota Statutes 2017 Supplement, section 103I.235, subdivision 3, is amended to read:

Subd. 3. **Temporary ~~environmental well~~ boring and unsuccessful well exemption.** This section does not apply to temporary ~~environmental wells borings~~ borings or unsuccessful wells that have been sealed by a licensed contractor in compliance with this chapter.

Sec. 9. Minnesota Statutes 2016, section 103I.301, subdivision 6, is amended to read:

Subd. 6. **Notification required.** A person may not seal a well or boring until a notification of the proposed sealing is filed as prescribed by the commissioner. Temporary borings less than 25 feet in depth are exempt from the notification requirements in this chapter.

Sec. 10. Minnesota Statutes 2017 Supplement, section 103I.601, subdivision 4, is amended to read:

Subd. 4. **Notification and map of borings.** (a) By ten days before beginning exploratory boring, an explorer must submit to the commissioner of health a notification of the proposed boring ~~on a form prescribed by the commissioner, map~~ and a fee of \$275 ~~for each exploratory boring~~.

(b) By ten days before beginning exploratory boring, an explorer must submit to the commissioners of health and natural resources a county road map on a single sheet of paper that is eight and one-half by 11 inches in size and having a scale of one-half inch equal to one mile, as prepared by the Department of Transportation, or a 7.5 minute series topographic map (1:24,000 scale), as prepared by the United States Geological Survey, showing the location of each proposed exploratory boring to the nearest estimated 40 acre parcel. Exploratory boring that is proposed on the map may not be commenced later than 180 days after submission of the map, unless a new map is submitted.

Sec. 11. **[137.68] ADVISORY COUNCIL ON RARE DISEASES.**

Subdivision 1. **Establishment.** The Board of Regents of the University of Minnesota is requested to establish an advisory council on rare diseases to provide advice on research, diagnosis, treatment, and education related to rare diseases. For purposes of this section, "rare disease" has the meaning given in United States Code, title 21, section 360bb. The council shall be called the Chloe Barnes Advisory Council on Rare Diseases.

Subd. 2. **Membership.** (a) The advisory council may consist of public members appointed by the Board of Regents or a designee according to paragraph (b) and four members of the legislature appointed according to paragraph (c).

(b) The Board of Regents or a designee is requested to appoint the following public members:

(1) three physicians licensed and practicing in the state with experience researching, diagnosing, or treating rare diseases;

(2) one registered nurse or advanced practice registered nurse licensed and practicing in the state with experience treating rare diseases;

(3) at least two hospital administrators, or their designees, from hospitals in the state that provide care to persons diagnosed with a rare disease. One administrator or designee appointed under this clause must represent a hospital in which the scope of service focuses on rare diseases of pediatric patients;

(4) three persons age 18 or older who either have a rare disease or are a caregiver of a person with a rare disease;

(5) a representative of a rare disease patient organization that operates in the state;

(6) a social worker with experience providing services to persons diagnosed with a rare disease;

(7) a pharmacist with experience with drugs used to treat rare diseases;

(8) a dentist licensed and practicing in the state with experience treating rare diseases;

(9) a representative of the biotechnology industry;

(10) a representative of health plan companies;

(11) a medical researcher with experience conducting research on rare diseases;

(12) a genetic counselor with experience providing services to persons diagnosed with a rare disease or caregivers of those persons; and

(13) other public members, who may serve on an ad hoc basis.

(c) The advisory council shall include two members of the senate, one appointed by the majority leader and one appointed by the minority leader; and two members of the house of representatives, one appointed by the speaker of the house and one appointed by the minority leader.

(d) The commissioner of health or a designee, a representative of Mayo Medical School, and a representative of the University of Minnesota Medical School, shall serve as ex officio, nonvoting members of the advisory council.

(e) Initial appointments to the advisory council shall be made no later than July 1, 2018. Members appointed according to paragraph (b) shall serve for a term of three years, except that the initial members appointed according to paragraph (b) shall have an initial term of two, three, or four years determined by lot by the chairperson. Members appointed according to paragraph (b) shall serve until their successors have been appointed.

Subd. 3. **Meetings.** The Board of Regents or a designee is requested to convene the first meeting of the advisory council no later than September 1, 2018. The advisory council shall meet at the call of the chairperson or at the request of a majority of advisory council members.

Subd. 4. **Duties.** The advisory council's duties may include, but are not limited to:

(1) in conjunction with the state's medical schools, the state's schools of public health, and hospitals in the state that provide care to persons diagnosed with a rare disease, developing resources or recommendations relating to quality of and access to treatment and services in the state for persons with a rare disease, including but not limited to:

(i) a list of existing, publicly accessible resources on research, diagnosis, treatment, and education relating to rare diseases;

(ii) identifying best practices for rare disease care implemented in other states, at the national level, and at the international level, that will improve rare disease care in the state and seeking opportunities to partner with similar organizations in other states and countries;

(iii) identifying problems faced by patients with a rare disease when changing health plans, including recommendations on how to remove obstacles faced by these patients to finding a new health plan and how to improve the ease and speed of finding a new health plan that meets the needs of patients with a rare disease; and

(iv) identifying best practices to ensure health care providers are adequately informed of the most effective strategies for recognizing and treating rare diseases; and

(2) advising, consulting, and cooperating with the Department of Health, the Advisory Committee on Heritable and Congenital Disorders, and other agencies of state government in developing information and programs for the public and the health care community relating to diagnosis, treatment, and awareness of rare diseases.

Subd. 5. **Conflict of interest.** Advisory council members are subject to the Board of Regents policy on conflicts of interest.

Subd. 6. **Annual report.** By January 1 of each year, beginning January 1, 2019, the advisory council shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education and health care policy on the advisory council's activities under subdivision 4 and other issues on which the advisory council may choose to report.

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

Sec. 12. **[144.064] THE VIVIAN ACT.**

Subdivision 1. **Short title.** This section shall be known and may be cited as the "Vivian Act."

Subd. 2. **Definitions.** For purposes of this section, the following terms have the meanings given them:

(1) "commissioner" means the commissioner of health;

(2) "health care practitioner" means a medical professional that provides prenatal or postnatal care;

(3) "CMV" means the human herpesvirus cytomegalovirus, also called HCMV, human herpesvirus 5, and HHV-5; and

(4) "congenital CMV" means the transmission of a CMV infection from a pregnant mother to her fetus.

Subd. 3. **Commissioner duties.** (a) The commissioner shall make available to health care practitioners and women who may become pregnant, expectant parents, and parents of infants up-to-date and evidence-based information about congenital CMV that has been reviewed by experts with knowledge of the disease. The information shall include the following:

(1) the recommendation to consider testing for congenital CMV in babies who did not pass their newborn hearing screen or in which a pregnancy history suggests increased risk for congenital CMV infection;

(2) the incidence of CMV;

(3) the transmission of CMV to pregnant women and women who may become pregnant;

(4) birth defects caused by congenital CMV;

(5) available preventative measures to avoid the infection of women who are pregnant or may become pregnant; and

(6) resources available for families of children born with congenital CMV.

(b) The commissioner shall follow existing department practice, inclusive of community engagement, to ensure that the information in paragraph (a) is culturally and linguistically appropriate for all recipients.

(c) The department shall establish an outreach program to:

(1) educate women who may become pregnant, expectant parents, and parents of infants about CMV; and

(2) raise awareness for CMV among health care providers who provide care to expectant mothers or infants.

Sec. 13. Minnesota Statutes 2016, section 144.121, subdivision 1a, is amended to read:

Subd. 1a. **Fees for ionizing radiation-producing equipment.** (a) A facility with ionizing radiation-producing equipment must pay an annual initial or annual renewal registration fee consisting of a base facility fee of \$100 and an additional fee for each radiation source, as follows:

| | |
|--|--------------|
| (1) medical or veterinary equipment | \$100 |
| (2) dental x-ray equipment | \$40 |
| (3) x-ray equipment not used on humans or animals | \$100 |
| (4) devices with sources of ionizing radiation not used on humans or animals | \$100 |
| (5) <u>security screening system</u> | <u>\$100</u> |

(b) A facility with radiation therapy and accelerator equipment must pay an annual registration fee of \$500. A facility with an industrial accelerator must pay an annual registration fee of \$150.

(c) Electron microscopy equipment is exempt from the registration fee requirements of this section.

(d) For purposes of this section, a security screening system means radiation-producing equipment designed and used for security screening of humans who are in custody of a correctional or detention facility, and is used by the facility to image and identify contraband items concealed within or on all sides of a human body. For purposes of this section, a correctional or detention facility is a facility licensed by the commissioner of corrections under section 241.021, and operated by a state agency or political subdivision charged with detection, enforcement, or incarceration in respect to state criminal and traffic laws.

Sec. 14. Minnesota Statutes 2016, section 144.121, is amended by adding a subdivision to read:

Subd. 9. **Exemption from examination requirements; operators of security screening systems.** (a) An employee of a correctional or detention facility who operates a security screening system and the facility in which the system is being operated are exempt from the requirements of subdivisions 5 and 6.

(b) An employee of a correctional or detention facility who operates a security screening system and the facility in which the system is being operated must meet the requirements of a variance to Minnesota Rules, parts 4732.0305 and 4732.0565, issued under Minnesota Rules, parts 4717.7000 to 4717.7050. This paragraph expires on December 31 of the year that the permanent rules adopted by the commissioner governing security screening systems are published in the State Register.

EFFECTIVE DATE. This section is effective 30 days following final enactment.

Sec. 15. [144.131] ADVISORY COUNCIL ON PANDAS AND PANS.

Subdivision 1. **Advisory council established.** The commissioner of health shall establish an advisory council on pediatric autoimmune neuropsychiatric disorders associated with streptococcal infections (PANDAS) and pediatric acute-onset neuropsychiatric syndrome (PANS) to advise the commissioner regarding research, diagnosis, treatment, and education relating to PANDAS and PANS.

Subd. 2. **Membership.** (a) The advisory council shall consist of 14 public members appointed according to paragraph (b) and two members of the legislature appointed according to paragraph (c).

(b) The commissioner shall appoint the following public members to the advisory council in the manner provided in section 15.0597:

(1) an immunologist who is licensed by the Board of Medical Practice and who has experience treating PANS with the use of intravenous immunoglobulin;

(2) a health care provider who is licensed and practicing in Minnesota and who has experience treating persons with PANS and autism spectrum disorder;

(3) a representative of a nonprofit PANS advocacy organization;

(4) a family practice physician who is licensed by the Board of Medical Practice and practicing in Minnesota and who has experience treating persons with PANS;

(5) a medical researcher with experience conducting research on PANDAS, PANS, obsessive-compulsive disorder, and other neurological disorders;

(6) a health care provider who is licensed and practicing in Minnesota and who has expertise in treating patients with eating disorders;

(7) a representative of a professional organization in Minnesota for school psychologists or school social workers;

(8) a child psychiatrist who is licensed by the Board of Medical Practice and practicing in Minnesota and who has experience treating persons with PANS;

(9) a pediatrician who is licensed by the Board of Medical Practice and practicing in Minnesota and who has experience treating persons with PANS;

(10) a representative of an organization focused on autism spectrum disorder;

(11) a parent of a child who has been diagnosed with PANS and autism spectrum disorder;

(12) a social worker licensed by the Board of Social Work and practicing in Minnesota;

(13) a designee of the commissioner of education with expertise in special education; and

(14) a representative of health plan companies that offer health plans in the individual or group markets.

(c) Legislative members shall be appointed to the advisory council as follows:

(1) the Subcommittee on Committees of the Committee on Rules and Administration in the senate shall appoint one member from the senate; and

(2) the speaker of the house shall appoint one member from the house of representatives.

(d) The commissioner of health or a designee shall serve as a nonvoting member of the advisory council.

Subd. 3. **Terms.** Members of the advisory council shall serve for a term of three years and may be reappointed. Members shall serve until their successors have been appointed.

Subd. 4. **Administration.** The commissioner of health or the commissioner's designee shall provide meeting space and administrative services for the advisory council.

Subd. 5. **Compensation and expenses.** Public members of the advisory council shall not receive compensation but may be reimbursed for allowed actual and necessary expenses incurred in the performance of the member's duties for the advisory council, in the same manner and amount as authorized by the commissioner's plan adopted under section 43A.18, subdivision 2.

Subd. 6. **Chair; meetings.** (a) At the advisory council's first meeting, and every two years thereafter, the members of the advisory council shall elect from among their membership a chair and a vice-chair, whose duties shall be established by the advisory council.

(b) The chair of the advisory council shall fix a time and place for regular meetings. The advisory council shall meet at least four times each year at the call of the chair or at the request of a majority of the advisory council's members.

Subd. 7. **Duties.** The advisory council shall:

(1) advise the commissioner regarding research, diagnosis, treatment, and education relating to PANDAS and PANS;

(2) annually develop recommendations on the following issues related to PANDAS and PANS:

(i) practice guidelines for diagnosis and treatment;

(ii) ways to increase clinical awareness and education of PANDAS and PANS among pediatricians, other physicians, school-based health centers, and providers of mental health services;

(iii) outreach to educators and parents to increase awareness of PANDAS and PANS; and

(iv) development of a network of volunteer experts on the diagnosis and treatment of PANDAS and PANS to assist in education and research; and

(3) by October 1, 2019, and each October 1 thereafter, complete an annual report with the advisory council's recommendations on the issues listed in clause (2), and submit the report to the chairs and ranking minority members of the legislative committees with jurisdiction over health care and education. The commissioner shall also post a copy of each annual report on the Department of Health Web site.

Subd. 8. **Expiration.** The advisory council expires October 1, 2024.

Sec. 16. Minnesota Statutes 2016, section 144.1501, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the following definitions apply.

(b) "Advanced dental therapist" means an individual who is licensed as a dental therapist under section 150A.06, and who is certified as an advanced dental therapist under section 150A.106.

(c) "Alcohol and drug counselor" means an individual who is licensed as an alcohol and drug counselor under chapter 148F.

~~(c)~~ (d) "Dental therapist" means an individual who is licensed as a dental therapist under section 150A.06.

~~(d)~~ (e) "Dentist" means an individual who is licensed to practice dentistry.

~~(e)~~ (f) "Designated rural area" means a statutory and home rule charter city or township that is outside the seven-county metropolitan area as defined in section 473.121, subdivision 2, excluding the cities of Duluth, Mankato, Moorhead, Rochester, and St. Cloud.

~~(f)~~ (g) "Emergency circumstances" means those conditions that make it impossible for the participant to fulfill the service commitment, including death, total and permanent disability, or temporary disability lasting more than two years.

~~(g)~~ (h) "Mental health professional" means an individual providing clinical services in the treatment of mental illness who is qualified in at least one of the ways specified in section 245.462, subdivision 18.

~~(h)~~ (i) "Medical resident" means an individual participating in a medical residency in family practice, internal medicine, obstetrics and gynecology, pediatrics, or psychiatry.

~~(i)~~ (j) "Midlevel practitioner" means a nurse practitioner, nurse-midwife, nurse anesthetist, advanced clinical nurse specialist, or physician assistant.

~~(j)~~ (k) "Nurse" means an individual who has completed training and received all licensing or certification necessary to perform duties as a licensed practical nurse or registered nurse.

~~(k)~~ (l) "Nurse-midwife" means a registered nurse who has graduated from a program of study designed to prepare registered nurses for advanced practice as nurse-midwives.

~~(l)~~ (m) "Nurse practitioner" means a registered nurse who has graduated from a program of study designed to prepare registered nurses for advanced practice as nurse practitioners.

~~(m)~~ (n) "Pharmacist" means an individual with a valid license issued under chapter 151.

~~(n)~~ (o) "Physician" means an individual who is licensed to practice medicine in the areas of family practice, internal medicine, obstetrics and gynecology, pediatrics, or psychiatry.

~~(o)~~ (p) "Physician assistant" means a person licensed under chapter 147A.

~~(p)~~ (q) "Public health nurse" means a registered nurse licensed in Minnesota who has obtained a registration certificate as a public health nurse from the Board of Nursing in accordance with Minnesota Rules, chapter 6316.

(¶) (r) "Qualified educational loan" means a government, commercial, or foundation loan for actual costs paid for tuition, reasonable education expenses, and reasonable living expenses related to the graduate or undergraduate education of a health care professional.

(¶) (s) "Underserved urban community" means a Minnesota urban area or population included in the list of designated primary medical care health professional shortage areas (HPSAs), medically underserved areas (MUAs), or medically underserved populations (MUPs) maintained and updated by the United States Department of Health and Human Services.

Sec. 17. Minnesota Statutes 2017 Supplement, section 144.1501, subdivision 2, is amended to read:

Subd. 2. **Creation of account.** (a) A health professional education loan forgiveness program account is established. The commissioner of health shall use money from the account to establish a loan forgiveness program:

(1) for medical residents and mental health professionals agreeing to practice in designated rural areas or underserved urban communities or specializing in the area of pediatric psychiatry;

(2) for midlevel practitioners agreeing to practice in designated rural areas or to teach at least 12 credit hours, or 720 hours per year in the nursing field in a postsecondary program at the undergraduate level or the equivalent at the graduate level;

(3) for nurses who agree to practice in a Minnesota nursing home; an intermediate care facility for persons with developmental disability; a hospital if the hospital owns and operates a Minnesota nursing home and a minimum of 50 percent of the hours worked by the nurse is in the nursing home; a housing with services establishment as defined in section 144D.01, subdivision 4; or for a home care provider as defined in section 144A.43, subdivision 4; or agree to teach at least 12 credit hours, or 720 hours per year in the nursing field in a postsecondary program at the undergraduate level or the equivalent at the graduate level;

(4) for other health care technicians agreeing to teach at least 12 credit hours, or 720 hours per year in their designated field in a postsecondary program at the undergraduate level or the equivalent at the graduate level. The commissioner, in consultation with the Healthcare Education-Industry Partnership, shall determine the health care fields where the need is the greatest, including, but not limited to, respiratory therapy, clinical laboratory technology, radiologic technology, and surgical technology;

(5) for pharmacists, advanced dental therapists, dental therapists, ~~and~~ public health nurses, and alcohol and drug counselors who agree to practice in designated rural areas; and

(6) for dentists agreeing to deliver at least 25 percent of the dentist's yearly patient encounters to state public program enrollees or patients receiving sliding fee schedule discounts through a formal sliding fee schedule meeting the standards established by the United States Department of Health and Human Services under Code of Federal Regulations, title 42, section 51, chapter 303.

(b) Appropriations made to the account do not cancel and are available until expended, except that at the end of each biennium, any remaining balance in the account that is not committed by contract and not needed to fulfill existing commitments shall cancel to the fund.

Sec. 18. Minnesota Statutes 2016, section 144.1501, subdivision 3, is amended to read:

Subd. 3. **Eligibility.** (a) To be eligible to participate in the loan forgiveness program, an individual must:

(1) be a medical or dental resident; a licensed pharmacist; or be enrolled in a training or education program to become a dentist, dental therapist, advanced dental therapist, mental health professional, pharmacist, public health nurse, midlevel practitioner, registered nurse, ~~or a licensed practical nurse,~~ or alcohol and drug counselor. The commissioner may also consider applications submitted by graduates in eligible professions who are licensed and in practice; and

(2) submit an application to the commissioner of health.

(b) An applicant selected to participate must sign a contract to agree to serve a minimum three-year full-time service obligation according to subdivision 2, which shall begin no later than March 31 following completion of required training, with the exception of a nurse, who must agree to serve a minimum two-year full-time service obligation according to subdivision 2, which shall begin no later than March 31 following completion of required training.

Sec. 19. Minnesota Statutes 2016, section 144.1506, subdivision 2, is amended to read:

Subd. 2. **Expansion grant program.** (a) The commissioner of health shall award primary care residency expansion grants to eligible primary care residency programs to plan and implement new residency slots. A planning grant shall not exceed \$75,000, and a training grant shall not exceed \$150,000 per new residency slot for the first year, \$100,000 for the second year, and \$50,000 for the third year of the new residency slot. For eligible residency programs longer than three years, training grants may be awarded for the duration of the residency, not exceeding an average of \$100,000 per residency slot per year.

(b) Funds may be spent to cover the costs of:

(1) planning related to establishing an accredited primary care residency program;

(2) obtaining accreditation by the Accreditation Council for Graduate Medical Education or another national body that accredits residency programs;

(3) establishing new residency programs or new resident training slots;

(4) recruitment, training, and retention of new residents and faculty;

(5) travel and lodging for new residents;

(6) faculty, new resident, and preceptor salaries related to new residency slots;

(7) training site improvements, fees, equipment, and supplies required for new primary care resident training slots; and

(8) supporting clinical education in which trainees are part of a primary care team model.

Sec. 20. **[144.397] STATEWIDE TOBACCO CESSATION SERVICES.**

(a) The commissioner of health shall administer, or contract for the administration of, statewide tobacco cessation services to assist Minnesotans who are seeking advice or services to help them quit using tobacco products. The commissioner shall establish statewide public awareness activities to inform the public of the availability of the services and encourage the public to utilize the services because of the dangers and harm of tobacco use and dependence.

(b) Services to be provided may include, but are not limited to:

(1) telephone-based coaching and counseling;

(2) referrals;

(3) written materials mailed upon request;

(4) Web-based texting or e-mail services; and

(5) free Food and Drug Administration-approved tobacco cessation medications.

(c) Services provided must be consistent with evidence-based best practices in tobacco cessation services. Services provided must be coordinated with employer, health plan company, and private sector tobacco prevention and cessation services that may be available to individuals depending on their employment or health coverage.

Sec. 21. Minnesota Statutes 2016, section 144.608, subdivision 1, is amended to read:

Subdivision 1. **Trauma Advisory Council established.** (a) A Trauma Advisory Council is established to advise, consult with, and make recommendations to the commissioner on the development, maintenance, and improvement of a statewide trauma system.

(b) The council shall consist of the following members:

(1) a trauma surgeon certified by the American Board of Surgery or the American Osteopathic Board of Surgery who practices in a level I or II trauma hospital;

(2) a general surgeon certified by the American Board of Surgery or the American Osteopathic Board of Surgery whose practice includes trauma and who practices in a designated rural area as defined under section 144.1501, subdivision 1, paragraph ~~(e)~~ (f);

(3) a neurosurgeon certified by the American Board of Neurological Surgery who practices in a level I or II trauma hospital;

(4) a trauma program nurse manager or coordinator practicing in a level I or II trauma hospital;

(5) an emergency physician certified by the American Board of Emergency Medicine or the American Osteopathic Board of Emergency Medicine whose practice includes emergency room care in a level I, II, III, or IV trauma hospital;

(6) a trauma program manager or coordinator who practices in a level III or IV trauma hospital;

(7) a physician certified by the American Board of Family Medicine or the American Osteopathic Board of Family Practice whose practice includes emergency department care in a level III or IV trauma hospital located in a designated rural area as defined under section 144.1501, subdivision 1, paragraph ~~(e)~~ (f);

(8) a nurse practitioner, as defined under section 144.1501, subdivision 1, paragraph ~~(t)~~ (m), or a physician assistant, as defined under section 144.1501, subdivision 1, paragraph ~~(o)~~ (p), whose practice includes emergency room care in a level IV trauma hospital located in a designated rural area as defined under section 144.1501, subdivision 1, paragraph ~~(e)~~ (f);

(9) a physician certified in pediatric emergency medicine by the American Board of Pediatrics or certified in pediatric emergency medicine by the American Board of Emergency Medicine or certified by the American Osteopathic Board of Pediatrics whose practice primarily includes emergency department medical care in a level I, II, III, or IV trauma hospital, or a surgeon certified in pediatric surgery by the American Board of Surgery whose practice involves the care of pediatric trauma patients in a trauma hospital;

(10) an orthopedic surgeon certified by the American Board of Orthopaedic Surgery or the American Osteopathic Board of Orthopedic Surgery whose practice includes trauma and who practices in a level I, II, or III trauma hospital;

(11) the state emergency medical services medical director appointed by the Emergency Medical Services Regulatory Board;

(12) a hospital administrator of a level III or IV trauma hospital located in a designated rural area as defined under section 144.1501, subdivision 1, paragraph ~~(e)~~ (f);

(13) a rehabilitation specialist whose practice includes rehabilitation of patients with major trauma injuries or traumatic brain injuries and spinal cord injuries as defined under section 144.661;

(14) an attendant or ambulance director who is an EMT, EMT-I, or EMT-P within the meaning of section 144E.001 and who actively practices with a licensed ambulance service in a primary service area located in a designated rural area as defined under section 144.1501, subdivision 1, paragraph ~~(e)~~ (f); and

(15) the commissioner of public safety or the commissioner's designee.

Sec. 22. Minnesota Statutes 2016, section 144A.43, subdivision 11, is amended to read:

Subd. 11. **Medication administration.** "Medication administration" means performing a set of tasks ~~to ensure a client takes medications, and includes~~ that include the following:

- (1) checking the client's medication record;
- (2) preparing the medication as necessary;
- (3) administering the medication to the client;
- (4) documenting the administration or reason for not administering the medication; and
- (5) reporting to a registered nurse or appropriate licensed health professional any concerns about the medication, the client, or the client's refusal to take the medication.

Sec. 23. Minnesota Statutes 2016, section 144A.43, is amended by adding a subdivision to read:

Subd. 12a. **Medication reconciliation.** "Medication reconciliation" means the process of identifying the most accurate list of all medications the client is taking, including the name, dosage, frequency, and route by comparing the client record to an external list of medications obtained from the client, hospital, prescriber, or other provider.

Sec. 24. Minnesota Statutes 2016, section 144A.43, subdivision 27, is amended to read:

Subd. 27. **Service plan agreement.** "Service plan agreement" means the written plan agreement between the client or client's representative and the temporary licensee or licensee about the services that will be provided to the client.

Sec. 25. Minnesota Statutes 2016, section 144A.43, subdivision 30, is amended to read:

Subd. 30. **Standby assistance.** "Standby assistance" means the presence of another person ~~within arm's reach to minimize the risk of injury while performing daily activities through physical intervention or cueing~~ to assist a client with an assistive task by providing cues, oversight, and minimal physical assistance.

Sec. 26. Minnesota Statutes 2016, section 144A.472, subdivision 5, is amended to read:

Subd. 5. ~~Transfers prohibited; Changes in ownership.~~ **Changes in ownership.** ~~Any (a) A~~ Any (a) A home care license issued by the commissioner may not be transferred to another party. Before acquiring ownership of or a controlling interest in a home care provider business, a prospective ~~applicant~~ owner must apply for a new ~~temporary~~ license. A change of ownership is a transfer of operational control ~~to a different business entity of the home care provider business~~ and includes:

- (1) transfer of the business to a different or new corporation;
 - (2) in the case of a partnership, the dissolution or termination of the partnership under chapter 323A, with the business continuing by a successor partnership or other entity;
 - (3) relinquishment of control of the provider to another party, including to a contract management firm that is not under the control of the owner of the business' assets;
 - (4) transfer of the business by a sole proprietor to another party or entity; or
 - (5) ~~in the case of a privately held corporation, the change in transfer of~~ transfer of ownership or control of 50 percent or more of the ~~outstanding voting stock~~ controlling interest of a home care provider business not covered by clauses (1) to (4).
- (b) An employee who was employed by the previous owner of the home care provider business prior to the effective date of a change in ownership under paragraph (a), and who will be employed by the new owner in the same or a similar capacity, shall be treated as if no change in employer occurred, with respect to orientation, training, tuberculosis testing, background studies, and competency testing and training on the policies identified in subdivision 1, clause (14), and subdivision 2, if applicable.
- (c) Notwithstanding paragraph (b), a new owner of a home care provider business must ensure that employees of the provider receive and complete training and testing on any provisions of policies that differ from those of the previous owner, within 90 days after the date of the change in ownership.

Sec. 27. Minnesota Statutes 2017 Supplement, section 144A.472, subdivision 7, is amended to read:

Subd. 7. **Fees; application, change of ownership, and renewal.** (a) An initial applicant seeking temporary home care licensure must submit the following application fee to the commissioner along with a completed application:

- (1) for a basic home care provider, \$2,100; or
- (2) for a comprehensive home care provider, \$4,200.

(b) A home care provider who is filing a change of ownership as required under subdivision 5 must submit the following application fee to the commissioner, along with the documentation required for the change of ownership:

- (1) for a basic home care provider, \$2,100; or
- (2) for a comprehensive home care provider, \$4,200.

(c) For the period ending June 30, 2018, a home care provider who is seeking to renew the provider's license shall pay a fee to the commissioner based on revenues derived from the provision of home care services during the calendar year prior to the year in which the application is submitted, according to the following schedule:

License Renewal Fee

| Provider Annual Revenue | Fee |
|---|------------|
| greater than \$1,500,000 | \$6,625 |
| greater than \$1,275,000 and no more than \$1,500,000 | \$5,797 |
| greater than \$1,100,000 and no more than \$1,275,000 | \$4,969 |
| greater than \$950,000 and no more than \$1,100,000 | \$4,141 |
| greater than \$850,000 and no more than \$950,000 | \$3,727 |
| greater than \$750,000 and no more than \$850,000 | \$3,313 |
| greater than \$650,000 and no more than \$750,000 | \$2,898 |
| greater than \$550,000 and no more than \$650,000 | \$2,485 |
| greater than \$450,000 and no more than \$550,000 | \$2,070 |
| greater than \$350,000 and no more than \$450,000 | \$1,656 |
| greater than \$250,000 and no more than \$350,000 | \$1,242 |
| greater than \$100,000 and no more than \$250,000 | \$828 |
| greater than \$50,000 and no more than \$100,000 | \$500 |
| greater than \$25,000 and no more than \$50,000 | \$400 |
| no more than \$25,000 | \$200 |

(d) For the period between July 1, 2018, and June 30, 2020, a home care provider who is seeking to renew the provider's license shall pay a fee to the commissioner in an amount that is ten percent higher than the applicable fee in paragraph (c). A home care provider's fee shall be based on revenues derived from the provision of home care services during the calendar year prior to the year in which the application is submitted.

(e) Beginning July 1, 2020, a home care provider who is seeking to renew the provider's license shall pay a fee to the commissioner based on revenues derived from the provision of home care services during the calendar year prior to the year in which the application is submitted, according to the following schedule:

License Renewal Fee

| Provider Annual Revenue | Fee |
|---|------------|
| greater than \$1,500,000 | \$7,651 |
| greater than \$1,275,000 and no more than \$1,500,000 | \$6,695 |
| greater than \$1,100,000 and no more than \$1,275,000 | \$5,739 |
| greater than \$950,000 and no more than \$1,100,000 | \$4,783 |
| greater than \$850,000 and no more than \$950,000 | \$4,304 |
| greater than \$750,000 and no more than \$850,000 | \$3,826 |
| greater than \$650,000 and no more than \$750,000 | \$3,347 |
| greater than \$550,000 and no more than \$650,000 | \$2,870 |
| greater than \$450,000 and no more than \$550,000 | \$2,391 |
| greater than \$350,000 and no more than \$450,000 | \$1,913 |
| greater than \$250,000 and no more than \$350,000 | \$1,434 |
| greater than \$100,000 and no more than \$250,000 | \$957 |
| greater than \$50,000 and no more than \$100,000 | \$577 |
| greater than \$25,000 and no more than \$50,000 | \$462 |
| no more than \$25,000 | \$231 |

(f) If requested, the home care provider shall provide the commissioner information to verify the provider's annual revenues or other information as needed, including copies of documents submitted to the Department of Revenue.

(g) At each annual renewal, a home care provider may elect to pay the highest renewal fee for its license category, and not provide annual revenue information to the commissioner.

(h) A temporary license or license applicant, or temporary licensee or licensee that knowingly provides the commissioner incorrect revenue amounts for the purpose of paying a lower license fee, shall be subject to a civil penalty in the amount of double the fee the provider should have paid.

(i) The fee for failure to comply with the notification requirements of section 144A.473, subdivision 2, paragraph (c), is \$1,000.

(j) Fees and penalties collected under this section shall be deposited in the state treasury and credited to the state government special revenue fund. All fees are nonrefundable. Fees collected under paragraphs (c), (d), and (e) are nonrefundable even if received before July 1, 2017, for temporary licenses or licenses being issued effective July 1, 2017, or later.

Sec. 28. Minnesota Statutes 2016, section 144A.473, is amended to read:

144A.473 ISSUANCE OF TEMPORARY LICENSE AND LICENSE RENEWAL.

Subdivision 1. **Temporary license and renewal of license.** (a) The department shall review each application to determine the applicant's knowledge of and compliance with Minnesota home care regulations. Before granting a temporary license or renewing a license, the commissioner may further evaluate the applicant or licensee by requesting additional information or documentation or by conducting an on-site survey of the applicant to determine compliance with sections 144A.43 to 144A.482.

(b) Within 14 calendar days after receiving an application for a license, the commissioner shall acknowledge receipt of the application in writing. The acknowledgment must indicate whether the application appears to be complete or whether additional information is required before the application will be considered complete.

(c) Within 90 days after receiving a complete application, the commissioner shall issue a temporary license, renew the license, or deny the license.

(d) The commissioner shall issue a license that contains the home care provider's name, address, license level, expiration date of the license, and unique license number. All licenses, except for temporary licenses issued under subdivision 2, are valid for up to one year from the date of issuance.

Subd. 2. **Temporary license.** (a) For new license applicants, the commissioner shall issue a temporary license for either the basic or comprehensive home care level. A temporary license is effective for up to one year from the date of issuance, except that a temporary license may be extended according to subdivision 3. Temporary licensees must comply with sections 144A.43 to 144A.482.

(b) During the temporary license ~~year~~ period, the commissioner shall survey the temporary licensee within 90 calendar days after the commissioner is notified or has evidence that the temporary licensee is providing home care services.

(c) Within five days of beginning the provision of services, the temporary licensee must notify the commissioner that it is serving clients. The notification to the commissioner may be mailed or e-mailed to the commissioner at the address provided by the commissioner. If the temporary licensee does not provide home care services during the temporary license ~~year~~ period, then the temporary license expires at the end of the ~~year~~ period and the applicant must reapply for a temporary home care license.

(d) A temporary licensee may request a change in the level of licensure prior to being surveyed and granted a license by notifying the commissioner in writing and providing additional documentation or materials required to update or complete the changed temporary license application. The applicant must pay the difference between the application fees when changing from the basic level to the comprehensive level of licensure. No refund will be made if the provider chooses to change the license application to the basic level.

(e) If the temporary licensee notifies the commissioner that the licensee has clients within 45 days prior to the temporary license expiration, the commissioner may extend the temporary license for up to 60 days in order to allow the commissioner to complete the on-site survey required under this section and follow-up survey visits.

Subd. 3. **Temporary licensee survey.** (a) If the temporary licensee is in substantial compliance with the survey, the commissioner shall issue either a basic or comprehensive home care license. If the temporary licensee is not in substantial compliance with the survey, the commissioner shall either: (1) not issue a basic or comprehensive license and there will be no contested hearing right under chapter 14 terminate the temporary license; or (2) extend the temporary license for a period not to exceed 90 days and apply conditions, as permitted under section 144A.475, subdivision 2, to the extension of a temporary license. If the temporary licensee is not in substantial compliance with the survey within the time period of the extension, or if the temporary licensee does not satisfy the license conditions, the commissioner may deny the license.

(b) If the temporary licensee whose basic or comprehensive license has been denied or extended with conditions disagrees with the conclusions of the commissioner, then the temporary licensee may request a reconsideration by the commissioner or commissioner's designee. The reconsideration request process must be conducted internally by the commissioner or commissioner's designee, and chapter 14 does not apply.

(c) The temporary licensee requesting reconsideration must make the request in writing and must list and describe the reasons why the temporary licensee disagrees with the decision to deny the basic or comprehensive home care license or the decision to extend the temporary license with conditions.

(d) The reconsideration request and supporting documentation must be received by the commissioner within 15 calendar days after the date the temporary licensee receives the correction order.

(e) A temporary licensee whose license is denied, is permitted to continue operating as a home care provider during the period of time when:

(1) a reconsideration request is in process;

(2) an extension of a temporary license is being negotiated;

(3) the placement of conditions on a temporary license is being negotiated; or

(4) a transfer of home care clients from the temporary licensee to a new home care provider is in process.

(f) A temporary licensee whose license is denied must comply with the requirements for notification and transfer of clients in section 144A.475, subdivision 5.

Sec. 29. Minnesota Statutes 2016, section 144A.474, subdivision 2, is amended to read:

Subd. 2. **Types of home care surveys.** (a) "Initial full survey" means the survey of a new temporary licensee conducted after the department is notified or has evidence that the temporary licensee is providing home care services to determine if the provider is in compliance with home care requirements. Initial full surveys must be completed within 14 months after the department's issuance of a temporary basic or comprehensive license.

(b) "Change in ownership survey" means a full survey of a new licensee due to a change in ownership. Change in ownership surveys must be completed within six months after the department's issuance of a new license due to a change in ownership.

(c) "Core survey" means periodic inspection of home care providers to determine ongoing compliance with the home care requirements, focusing on the essential health and safety requirements. Core surveys are available to licensed home care providers who have been licensed for three years and surveyed at least once in the past three years with the latest survey having no widespread violations beyond Level 1 as provided in subdivision 11. Providers must also not have had any substantiated licensing complaints, substantiated complaints against the agency under the Vulnerable Adults Act or Maltreatment of Minors Act, or an enforcement action as authorized in section 144A.475 in the past three years.

(1) The core survey for basic home care providers must review compliance in the following areas:

(i) reporting of maltreatment;

(ii) orientation to and implementation of the home care bill of rights;

(iii) statement of home care services;

(iv) initial evaluation of clients and initiation of services;

(v) client review and monitoring;

- (vi) service ~~plan~~ agreement implementation and changes to the service ~~plan~~ agreement;
- (vii) client complaint and investigative process;
- (viii) competency of unlicensed personnel; and
- (ix) infection control.

(2) For comprehensive home care providers, the core survey must include everything in the basic core survey plus these areas:

- (i) delegation to unlicensed personnel;
- (ii) assessment, monitoring, and reassessment of clients; and
- (iii) medication, treatment, and therapy management.

~~(e)~~ (d) "Full survey" means the periodic inspection of home care providers to determine ongoing compliance with the home care requirements that cover the core survey areas and all the legal requirements for home care providers. A full survey is conducted for all temporary licensees ~~and, for licensees that receive licenses due to an approved change in ownership,~~ for providers who do not meet the requirements needed for a core survey, and when a surveyor identifies unacceptable client health or safety risks during a core survey. A full survey must include all the tasks identified as part of the core survey and any additional review deemed necessary by the department, including additional observation, interviewing, or records review of additional clients and staff.

~~(d)~~ (e) "Follow-up surveys" means surveys conducted to determine if a home care provider has corrected deficient issues and systems identified during a core survey, full survey, or complaint investigation. Follow-up surveys may be conducted via phone, e-mail, fax, mail, or on-site reviews. Follow-up surveys, other than complaint surveys, shall be concluded with an exit conference and written information provided on the process for requesting a reconsideration of the survey results.

~~(e)~~ (f) Upon receiving information alleging that a home care provider has violated or is currently violating a requirement of sections 144A.43 to 144A.482, the commissioner shall investigate the complaint according to sections 144A.51 to 144A.54.

Sec. 30. Minnesota Statutes 2016, section 144A.475, subdivision 1, is amended to read:

Subdivision 1. **Conditions.** (a) The commissioner may refuse to grant a temporary license, refuse to grant a license as a result of a change in ownership, refuse to renew a license, suspend or revoke a license, or impose a conditional license if the home care provider or owner or managerial official of the home care provider:

- (1) is in violation of, or during the term of the license has violated, any of the requirements in sections 144A.471 to 144A.482;
- (2) permits, aids, or abets the commission of any illegal act in the provision of home care;
- (3) performs any act detrimental to the health, safety, and welfare of a client;
- (4) obtains the license by fraud or misrepresentation;

(5) knowingly made or makes a false statement of a material fact in the application for a license or in any other record or report required by this chapter;

(6) denies representatives of the department access to any part of the home care provider's books, records, files, or employees;

(7) interferes with or impedes a representative of the department in contacting the home care provider's clients;

(8) interferes with or impedes a representative of the department in the enforcement of this chapter or has failed to fully cooperate with an inspection, survey, or investigation by the department;

(9) destroys or makes unavailable any records or other evidence relating to the home care provider's compliance with this chapter;

(10) refuses to initiate a background study under section 144.057 or 245A.04;

(11) fails to timely pay any fines assessed by the department;

(12) violates any local, city, or township ordinance relating to home care services;

(13) has repeated incidents of personnel performing services beyond their competency level; or

(14) has operated beyond the scope of the home care provider's license level.

(b) A violation by a contractor providing the home care services of the home care provider is a violation by the home care provider.

Sec. 31. Minnesota Statutes 2016, section 144A.475, subdivision 2, is amended to read:

Subd. 2. **Terms to suspension or conditional license.** (a) A suspension or conditional license designation may include terms that must be completed or met before a suspension or conditional license designation is lifted. A conditional license designation may include restrictions or conditions that are imposed on the provider. Terms for a suspension or conditional license may include one or more of the following and the scope of each will be determined by the commissioner:

(1) requiring a consultant to review, evaluate, and make recommended changes to the home care provider's practices and submit reports to the commissioner at the cost of the home care provider;

(2) requiring supervision of the home care provider or staff practices at the cost of the home care provider by an unrelated person who has sufficient knowledge and qualifications to oversee the practices and who will submit reports to the commissioner;

(3) requiring the home care provider or employees to obtain training at the cost of the home care provider;

(4) requiring the home care provider to submit reports to the commissioner;

(5) prohibiting the home care provider from taking any new clients for a period of time; or

(6) any other action reasonably required to accomplish the purpose of this subdivision and section 144A.45, subdivision 2.

(b) A home care provider subject to this subdivision may continue operating during the period of time home care clients are being transferred to other providers.

Sec. 32. Minnesota Statutes 2016, section 144A.475, subdivision 5, is amended to read:

Subd. 5. **Plan required.** (a) The process of suspending or revoking a license must include a plan for transferring affected clients to other providers by the home care provider, which will be monitored by the commissioner. Within three business days of being notified of the final revocation or suspension action, the home care provider shall provide the commissioner, the lead agencies as defined in section 256B.0911, and the ombudsman for long-term care with the following information:

- (1) a list of all clients, including full names and all contact information on file;
- (2) a list of each client's representative or emergency contact person, including full names and all contact information on file;
- (3) the location or current residence of each client;
- (4) the payor sources for each client, including payor source identification numbers; and
- (5) for each client, a copy of the client's service plan, and a list of the types of services being provided.

(b) The revocation or suspension notification requirement is satisfied by mailing the notice to the address in the license record. The home care provider shall cooperate with the commissioner and the lead agencies during the process of transferring care of clients to qualified providers. Within three business days of being notified of the final revocation or suspension action, the home care provider must notify and disclose to each of the home care provider's clients, or the client's representative or emergency contact persons, that the commissioner is taking action against the home care provider's license by providing a copy of the revocation or suspension notice issued by the commissioner.

(c) A home care provider subject to this subdivision may continue operating during the period of time home care clients are being transferred to other providers.

Sec. 33. Minnesota Statutes 2016, section 144A.476, subdivision 1, is amended to read:

Subdivision 1. **Prior criminal convictions; owner and managerial officials.** (a) Before the commissioner issues a temporary license, issues a license as a result of an approved change in ownership, or renews a license, an owner or managerial official is required to complete a background study under section 144.057. No person may be involved in the management, operation, or control of a home care provider if the person has been disqualified under chapter 245C. If an individual is disqualified under section 144.057 or chapter 245C, the individual may request reconsideration of the disqualification. If the individual requests reconsideration and the commissioner sets aside or rescinds the disqualification, the individual is eligible to be involved in the management, operation, or control of the provider. If an individual has a disqualification under section 245C.15, subdivision 1, and the disqualification is affirmed, the individual's disqualification is barred from a set aside, and the individual must not be involved in the management, operation, or control of the provider.

(b) For purposes of this section, owners of a home care provider subject to the background check requirement are those individuals whose ownership interest provides sufficient authority or control to affect or change decisions related to the operation of the home care provider. An owner includes a sole proprietor, a general partner, or any other individual whose individual ownership interest can affect the management and direction of the policies of the home care provider.

(c) For the purposes of this section, managerial officials subject to the background check requirement are individuals who provide direct contact as defined in section 245C.02, subdivision 11, or individuals who have the responsibility for the ongoing management or direction of the policies, services, or employees of the home care provider. Data collected under this subdivision shall be classified as private data on individuals under section 13.02, subdivision 12.

(d) The department shall not issue any license if the applicant or owner or managerial official has been unsuccessful in having a background study disqualification set aside under section 144.057 and chapter 245C; if the owner or managerial official, as an owner or managerial official of another home care provider, was substantially responsible for the other home care provider's failure to substantially comply with sections 144A.43 to 144A.482; or if an owner that has ceased doing business, either individually or as an owner of a home care provider, was issued a correction order for failing to assist clients in violation of this chapter.

Sec. 34. Minnesota Statutes 2016, section 144A.479, subdivision 7, is amended to read:

Subd. 7. **Employee records.** The home care provider must maintain current records of each paid employee, regularly scheduled volunteers providing home care services, and of each individual contractor providing home care services. The records must include the following information:

(1) evidence of current professional licensure, registration, or certification, if licensure, registration, or certification is required by this statute or other rules;

(2) records of orientation, required annual training and infection control training, and competency evaluations;

(3) current job description, including qualifications, responsibilities, and identification of staff providing supervision;

(4) documentation of annual performance reviews which identify areas of improvement needed and training needs;

(5) for individuals providing home care services, verification that ~~required~~ any health screenings required by infection control programs established under section 144A.4798 have taken place and the dates of those screenings; and

(6) documentation of the background study as required under section 144.057.

Each employee record must be retained for at least three years after a paid employee, home care volunteer, or contractor ceases to be employed by or under contract with the home care provider. If a home care provider ceases operation, employee records must be maintained for three years.

Sec. 35. Minnesota Statutes 2016, section 144A.4791, subdivision 1, is amended to read:

Subdivision 1. **Home care bill of rights; notification to client.** (a) The home care provider shall provide the client or the client's representative a written notice of the rights under section 144A.44 before the ~~initiation of date~~ that services are first provided to that client. The provider shall make all reasonable efforts to provide notice of the rights to the client or the client's representative in a language the client or client's representative can understand.

(b) In addition to the text of the home care bill of rights in section 144A.44, subdivision 1, the notice shall also contain the following statement describing how to file a complaint with these offices.

"If you have a complaint about the provider or the person providing your home care services, you may call, write, or visit the Office of Health Facility Complaints, Minnesota Department of Health. You may also contact the Office of Ombudsman for Long-Term Care or the Office of Ombudsman for Mental Health and Developmental Disabilities."

The statement should include the telephone number, Web site address, e-mail address, mailing address, and street address of the Office of Health Facility Complaints at the Minnesota Department of Health, the Office of the Ombudsman for Long-Term Care, and the Office of the Ombudsman for Mental Health and Developmental

Disabilities. The statement should also include the home care provider's name, address, e-mail, telephone number, and name or title of the person at the provider to whom problems or complaints may be directed. It must also include a statement that the home care provider will not retaliate because of a complaint.

(c) The home care provider shall obtain written acknowledgment of the client's receipt of the home care bill of rights or shall document why an acknowledgment cannot be obtained. The acknowledgment may be obtained from the client or the client's representative. Acknowledgment of receipt shall be retained in the client's record.

Sec. 36. Minnesota Statutes 2016, section 144A.4791, subdivision 3, is amended to read:

Subd. 3. **Statement of home care services.** Prior to the ~~initiation of~~ date that services are first provided to the client, a home care provider must provide to the client or the client's representative a written statement which identifies if the provider has a basic or comprehensive home care license, the services the provider is authorized to provide, and which services the provider cannot provide under the scope of the provider's license. The home care provider shall obtain written acknowledgment from the clients that the provider has provided the statement or must document why the provider could not obtain the acknowledgment.

Sec. 37. Minnesota Statutes 2016, section 144A.4791, subdivision 6, is amended to read:

Subd. 6. **Initiation of services.** When a provider ~~initiates~~ provides home care services and to a client before the individualized review or assessment by a licensed health professional or registered nurse as required in subdivisions 7 and 8 has not been is completed, the ~~provider~~ licensed health professional or registered nurse must complete a temporary plan ~~and agreement~~ with the client ~~for services and orient staff assigned to deliver services as identified in the temporary plan.~~

Sec. 38. Minnesota Statutes 2016, section 144A.4791, subdivision 7, is amended to read:

Subd. 7. **Basic individualized client review and monitoring.** (a) When services being provided are basic home care services, an individualized initial review of the client's needs and preferences must be conducted at the client's residence with the client or client's representative. This initial review must be completed within 30 days after the ~~initiation of the~~ date that home care services are first provided.

(b) Client monitoring and review must be conducted as needed based on changes in the needs of the client and cannot exceed 90 days from the date of the last review. The monitoring and review may be conducted at the client's residence or through the utilization of telecommunication methods based on practice standards that meet the individual client's needs.

Sec. 39. Minnesota Statutes 2016, section 144A.4791, subdivision 8, is amended to read:

Subd. 8. **Comprehensive assessment, monitoring, and reassessment.** (a) When the services being provided are comprehensive home care services, an individualized initial assessment must be conducted in person by a registered nurse. When the services are provided by other licensed health professionals, the assessment must be conducted by the appropriate health professional. This initial assessment must be completed within five days after ~~initiation of the~~ date that home care services are first provided.

(b) Client monitoring and reassessment must be conducted in the client's home no more than 14 days after ~~initiation of the~~ date that home care services are first provided.

(c) Ongoing client monitoring and reassessment must be conducted as needed based on changes in the needs of the client and cannot exceed 90 days from the last date of the assessment. The monitoring and reassessment may be conducted at the client's residence or through the utilization of telecommunication methods based on practice standards that meet the individual client's needs.

Sec. 40. Minnesota Statutes 2016, section 144A.4791, subdivision 9, is amended to read:

Subd. 9. **Service ~~plan agreement~~, implementation, and revisions to service ~~plan agreement~~.** (a) No later than 14 days after the ~~initiation of date that home care~~ services are first provided, a home care provider shall finalize a current written service ~~plan agreement~~.

(b) The service ~~plan agreement~~ and any revisions must include a signature or other authentication by the home care provider and by the client or the client's representative documenting agreement on the services to be provided. The service ~~plan agreement~~ must be revised, if needed, based on client review or reassessment under subdivisions 7 and 8. The provider must provide information to the client about changes to the provider's fee for services and how to contact the Office of the Ombudsman for Long-Term Care.

(c) The home care provider must implement and provide all services required by the current service ~~plan agreement~~.

(d) The service ~~plan agreement~~ and revised service ~~plan agreement~~ must be entered into the client's record, including notice of a change in a client's fees when applicable.

(e) Staff providing home care services must be informed of the current written service ~~plan agreement~~.

(f) The service ~~plan agreement~~ must include:

(1) a description of the home care services to be provided, the fees for services, and the frequency of each service, according to the client's current review or assessment and client preferences;

(2) the identification of the staff or categories of staff who will provide the services;

(3) the schedule and methods of monitoring reviews or assessments of the client;

(4) ~~the frequency of sessions of supervision of staff and type of personnel who will supervise staff; and the~~ schedule and methods of monitoring staff providing home care services; and

(5) a contingency plan that includes:

(i) the action to be taken by the home care provider and by the client or client's representative if the scheduled service cannot be provided;

(ii) information and a method for a client or client's representative to contact the home care provider;

(iii) names and contact information of persons the client wishes to have notified in an emergency or if there is a significant adverse change in the client's condition, ~~including identification of and information as to who has authority to sign for the client in an emergency; and~~

(iv) the circumstances in which emergency medical services are not to be summoned consistent with chapters 145B and 145C, and declarations made by the client under those chapters.

Sec. 41. Minnesota Statutes 2016, section 144A.4792, subdivision 1, is amended to read:

Subdivision 1. **Medication management services; comprehensive home care license.** (a) This subdivision applies only to home care providers with a comprehensive home care license that provide medication management services to clients. Medication management services may not be provided by a home care provider who has a basic home care license.

(b) A comprehensive home care provider who provides medication management services must develop, implement, and maintain current written medication management policies and procedures. The policies and procedures must be developed under the supervision and direction of a registered nurse, licensed health professional, or pharmacist consistent with current practice standards and guidelines.

(c) The written policies and procedures must address requesting and receiving prescriptions for medications; preparing and giving medications; verifying that prescription drugs are administered as prescribed; documenting medication management activities; controlling and storing medications; monitoring and evaluating medication use; resolving medication errors; communicating with the prescriber, pharmacist, and client and client representative, if any; disposing of unused medications; and educating clients and client representatives about medications. When controlled substances are being managed, stored, and secured by the comprehensive home care provider, the policies and procedures must also identify how the provider will ensure security and accountability for the overall management, control, and disposition of those substances in compliance with state and federal regulations and with subdivision 22.

Sec. 42. Minnesota Statutes 2016, section 144A.4792, subdivision 2, is amended to read:

Subd. 2. **Provision of medication management services.** (a) For each client who requests medication management services, the comprehensive home care provider shall, prior to providing medication management services, have a registered nurse, licensed health professional, or authorized prescriber under section 151.37 conduct an assessment to determine what medication management services will be provided and how the services will be provided. This assessment must be conducted face-to-face with the client. The assessment must include an identification and review of all medications the client is known to be taking. The review and identification must include indications for medications, side effects, contraindications, allergic or adverse reactions, and actions to address these issues.

(b) The assessment must:

(1) identify interventions needed in management of medications to prevent diversion of medication by the client or others who may have access to the medications; and

(2) provide instructions to the client or client's representative on interventions to manage the client's medications and prevent diversion of medications.

"Diversion of medications" means the misuse, theft, or illegal or improper disposition of medications.

Sec. 43. Minnesota Statutes 2016, section 144A.4792, subdivision 5, is amended to read:

Subd. 5. **Individualized medication management plan.** (a) For each client receiving medication management services, the comprehensive home care provider must prepare and include in the service ~~plan~~ agreement a written statement of the medication management services that will be provided to the client. The provider must develop and maintain a current individualized medication management record for each client based on the client's assessment that must contain the following:

(1) a statement describing the medication management services that will be provided;

(2) a description of storage of medications based on the client's needs and preferences, risk of diversion, and consistent with the manufacturer's directions;

(3) documentation of specific client instructions relating to the administration of medications;

(4) identification of persons responsible for monitoring medication supplies and ensuring that medication refills are ordered on a timely basis;

(5) identification of medication management tasks that may be delegated to unlicensed personnel;

(6) procedures for staff notifying a registered nurse or appropriate licensed health professional when a problem arises with medication management services; and

(7) any client-specific requirements relating to documenting medication administration, verifications that all medications are administered as prescribed, and monitoring of medication use to prevent possible complications or adverse reactions.

(b) The medication management record must be current and updated when there are any changes.

(c) Medication reconciliation must be completed when a licensed nurse, licensed health professional, or authorized prescriber is providing medication management.

Sec. 44. Minnesota Statutes 2016, section 144A.4792, subdivision 10, is amended to read:

Subd. 10. **Medication management for clients who will be away from home.** (a) A home care provider who is providing medication management services to the client and controls the client's access to the medications must develop and implement policies and procedures for giving accurate and current medications to clients for planned or unplanned times away from home according to the client's individualized medication management plan. The policy and procedures must state that:

(1) for planned time away, the medications must be obtained from the pharmacy or set up by ~~the registered a~~ licensed nurse according to appropriate state and federal laws and nursing standards of practice;

(2) for unplanned time away, when the pharmacy is not able to provide the medications, a licensed nurse or unlicensed personnel shall give the client or client's representative medications in amounts and dosages needed for the length of the anticipated absence, not to exceed ~~420 hours~~ seven calendar days;

(3) the client or client's representative must be provided written information on medications, including any special instructions for administering or handling the medications, including controlled substances;

(4) the medications must be placed in a medication container or containers appropriate to the provider's medication system and must be labeled with the client's name and the dates and times that the medications are scheduled; and

(5) the client or client's representative must be provided in writing the home care provider's name and information on how to contact the home care provider.

(b) For unplanned time away when the licensed nurse is not available, the registered nurse may delegate this task to unlicensed personnel if:

(1) the registered nurse has trained the unlicensed staff and determined the unlicensed staff is competent to follow the procedures for giving medications to clients; and

(2) the registered nurse has developed written procedures for the unlicensed personnel, including any special instructions or procedures regarding controlled substances that are prescribed for the client. The procedures must address:

(i) the type of container or containers to be used for the medications appropriate to the provider's medication system;

(ii) how the container or containers must be labeled;

(iii) the written information about the medications to be given to the client or client's representative;

(iv) how the unlicensed staff must document in the client's record that medications have been given to the client or the client's representative, including documenting the date the medications were given to the client or the client's representative and who received the medications, the person who gave the medications to the client, the number of medications that were given to the client, and other required information;

(v) how the registered nurse shall be notified that medications have been given to the client or client's representative and whether the registered nurse needs to be contacted before the medications are given to the client or the client's representative; ~~and~~

(vi) a review by the registered nurse of the completion of this task to verify that this task was completed accurately by the unlicensed personnel; and

(vii) how the unlicensed staff must document in the client's record any unused medications that are returned to the provider, including the name of each medication and the doses of each returned medication.

Sec. 45. Minnesota Statutes 2016, section 144A.4793, subdivision 6, is amended to read:

Subd. 6. **Treatment and therapy orders** ~~or prescriptions~~. There must be an up-to-date written or electronically recorded order ~~or prescription~~ from an authorized prescriber for all treatments and therapies. The order must contain the name of the client, a description of the treatment or therapy to be provided, and the frequency, duration, and other information needed to administer the treatment or therapy. Treatment and therapy orders must be renewed at least every 12 months.

Sec. 46. Minnesota Statutes 2017 Supplement, section 144A.4796, subdivision 2, is amended to read:

Subd. 2. **Content.** (a) The orientation must contain the following topics:

(1) an overview of sections 144A.43 to 144A.4798;

(2) introduction and review of all the provider's policies and procedures related to the provision of home care services by the individual staff person;

(3) handling of emergencies and use of emergency services;

(4) compliance with and reporting of the maltreatment of minors or vulnerable adults under sections 626.556 and 626.557;

(5) home care bill of rights under section 144A.44;

(6) handling of clients' complaints, reporting of complaints, and where to report complaints including information on the Office of Health Facility Complaints and the Common Entry Point;

(7) consumer advocacy services of the Office of Ombudsman for Long-Term Care, Office of Ombudsman for Mental Health and Developmental Disabilities, Managed Care Ombudsman at the Department of Human Services, county managed care advocates, or other relevant advocacy services; and

(8) review of the types of home care services the employee will be providing and the provider's scope of licensure.

(b) In addition to the topics listed in paragraph (a), orientation may also contain training on providing services to clients with hearing loss. Any training on hearing loss provided under this subdivision must be high quality and research-based, may include online training, and must include training on one or more of the following topics:

(1) an explanation of age-related hearing loss and how it manifests itself, its prevalence, and challenges it poses to communication;

(2) health impacts related to untreated age-related hearing loss, such as increased incidence of dementia, falls, hospitalizations, isolation, and depression; or

(3) information about strategies and technology that may enhance communication and involvement, including communication strategies, assistive listening devices, hearing aids, visual and tactile alerting devices, communication access in real time, and closed captions.

Sec. 47. Minnesota Statutes 2016, section 144A.4797, subdivision 3, is amended to read:

Subd. 3. **Supervision of staff providing delegated nursing or therapy home care tasks.** (a) Staff who perform delegated nursing or therapy home care tasks must be supervised by an appropriate licensed health professional or a registered nurse periodically where the services are being provided to verify that the work is being performed competently and to identify problems and solutions related to the staff person's ability to perform the tasks. Supervision of staff performing medication or treatment administration shall be provided by a registered nurse or appropriate licensed health professional and must include observation of the staff administering the medication or treatment and the interaction with the client.

(b) The direct supervision of staff performing delegated tasks must be provided within 30 days after the date on which the individual begins working for the home care provider and first performs delegated tasks for clients and thereafter as needed based on performance. This requirement also applies to staff who have not performed delegated tasks for one year or longer.

Sec. 48. Minnesota Statutes 2016, section 144A.4798, is amended to read:

144A.4798 EMPLOYEE HEALTH STATUS DISEASE PREVENTION AND INFECTION CONTROL.

Subdivision 1. **Tuberculosis (TB) prevention and infection control.** (a) A home care provider must establish and maintain a ~~TB prevention and~~ comprehensive tuberculosis infection control program ~~based on~~ according to the most current tuberculosis infection control guidelines issued by the United States Centers for Disease Control and Prevention (CDC), Division of Tuberculosis Elimination, as published in the CDC's Morbidity and Mortality Weekly Report. ~~Components of a TB prevention and control program include screening all staff providing home care services, both paid and unpaid, at the time of hire for active TB disease and latent TB infection, and developing and implementing a written TB infection control plan. The commissioner shall make the most recent CDC~~

~~standards available to home care providers on the department's Web site. This program must include a tuberculosis infection control plan that covers all paid and unpaid employees, contractors, students, and volunteers. The commissioner shall provide technical assistance regarding implementation of the guidelines.~~

(b) Written evidence of compliance with this subdivision must be maintained by the home care provider.

Subd. 2. **Communicable diseases.** A home care provider must follow current ~~federal or state guidelines~~ state requirements for prevention, control, and reporting of ~~human immunodeficiency virus (HIV), hepatitis B virus (HBV), hepatitis C virus, or other~~ communicable diseases as defined in Minnesota Rules, ~~part parts~~ 4605.7040, 4605.7044, 4605.7050, 4605.7075, 4605.7080, and 4605.7090.

Subd. 3. **Infection control program.** A home care provider must establish and maintain an effective infection control program that complies with accepted health care, medical, and nursing standards for infection control.

Sec. 49. Minnesota Statutes 2016, section 144A.4799, subdivision 1, is amended to read:

Subdivision 1. **Membership.** The commissioner of health shall appoint eight persons to a home care and assisted living program advisory council consisting of the following:

(1) three public members as defined in section 214.02 who shall be ~~either~~ persons who are currently receiving home care services or, persons who have received home care services within five years of the application date, persons who have family members receiving home care services, or persons who have family members who have received home care services within five years of the application date;

(2) three Minnesota home care licensees representing basic and comprehensive levels of licensure who may be a managerial official, an administrator, a supervising registered nurse, or an unlicensed personnel performing home care tasks;

(3) one member representing the Minnesota Board of Nursing; and

(4) one member representing the Office of Ombudsman for Long-Term Care.

Sec. 50. Minnesota Statutes 2017 Supplement, section 144A.4799, subdivision 3, is amended to read:

Subd. 3. **Duties.** (a) At the commissioner's request, the advisory council shall provide advice regarding regulations of Department of Health licensed home care providers in this chapter, including advice on the following:

(1) community standards for home care practices;

(2) enforcement of licensing standards and whether certain disciplinary actions are appropriate;

(3) ways of distributing information to licensees and consumers of home care;

(4) training standards;

(5) identifying emerging issues and opportunities in ~~the home care field, including~~ and assisted living;

(6) identifying the use of technology in home and telehealth capabilities;

~~(6)~~ (7) allowable home care licensing modifications and exemptions, including a method for an integrated license with an existing license for rural licensed nursing homes to provide limited home care services in an adjacent independent living apartment building owned by the licensed nursing home; and

~~(7)~~ (8) recommendations for studies using the data in section 62U.04, subdivision 4, including but not limited to studies concerning costs related to dementia and chronic disease among an elderly population over 60 and additional long-term care costs, as described in section 62U.10, subdivision 6.

(b) The advisory council shall perform other duties as directed by the commissioner.

(c) The advisory council shall annually review the balance of the account in the state government special revenue fund described in section 144A.474, subdivision 11, paragraph (i), and make annual recommendations by January 15 directly to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services regarding appropriations to the commissioner for the purposes in section 144A.474, subdivision 11, paragraph (i).

Sec. 51. Minnesota Statutes 2016, section 144A.484, subdivision 1, is amended to read:

Subdivision 1. **Integrated licensing established.** ~~(a) From January 1, 2014, to June 30, 2015, the commissioner of health shall enforce the home and community based services standards under chapter 245D for those providers who also have a home care license pursuant to this chapter as required under Laws 2013, chapter 108, article 8, section 60, and article 11, section 31. During this period, the commissioner shall provide technical assistance to achieve and maintain compliance with applicable law or rules governing the provision of home and community based services, including complying with the service recipient rights notice in subdivision 4, clause (4). If during the survey, the commissioner finds that the licensee has failed to achieve compliance with an applicable law or rule under chapter 245D and this failure does not imminently endanger the health, safety, or rights of the persons served by the program, the commissioner may issue a licensing survey report with recommendations for achieving and maintaining compliance.~~

~~(b) Beginning July 1, 2015,~~ A home care provider applicant or license holder may apply to the commissioner of health for a home and community-based services designation for the provision of basic support services identified under section 245D.03, subdivision 1, paragraph (b). The designation allows the license holder to provide basic support services that would otherwise require licensure under chapter 245D, under the license holder's home care license governed by sections 144A.43 to ~~144A.481~~ 144A.4799.

Sec. 52. Minnesota Statutes 2016, section 144E.16, is amended by adding a subdivision to read:

Subd. 9. **Rules authorizing patient-assisted medication administration.** (a) The board shall adopt rules authorizing EMTs, AEMTs, and paramedics certified under section 144E.28 to assist a patient, in emergency situations, with administering prescription medications that are:

(1) carried by a patient;

(2) intended to treat adrenal insufficiency or another rare but previously diagnosed condition that requires emergency treatment with a previously prescribed medication;

(3) intended to treat a specific life-threatening condition; and

(4) administered via routes of delivery that are within the skill set of the EMT, AEMT, or paramedic.

(b) EMTs, AEMTs, and paramedics assisting a patient with medication administration according to the rules adopted under this subdivision may do so only under the authority of guidelines approved by the ambulance service medical director or under direct medical control.

Sec. 53. Minnesota Statutes 2016, section 144E.16, is amended by adding a subdivision to read:

Subd. 10. **Rules establishing standards for communication with patients regarding need for emergency medical services.** The board shall adopt rules to establish guidelines for ambulance services to communicate with a patient in the service area of the ambulance service, and with the patient's caregivers, concerning the patient's health condition, the likelihood that the patient will need emergency medical services, and how to collaboratively develop emergency medical services care plans to meet the patient's needs.

Sec. 54. Minnesota Statutes 2017 Supplement, section 144H.01, subdivision 5, is amended to read:

Subd. 5. **Medically complex or technologically dependent child.** "Medically complex or technologically dependent child" means a child under 21 years of age who, ~~because of a medical condition, requires continuous therapeutic interventions or skilled nursing supervision which must be prescribed by a licensed physician and administered by, or under the direct supervision of, a licensed registered nurse~~ meets the criteria for medical complexity described in the federally approved community alternative care waiver.

Sec. 55. Minnesota Statutes 2017 Supplement, section 144H.04, subdivision 1, is amended to read:

Subdivision 1. **Licenses.** (a) A person seeking licensure for a PPEC center must submit a completed application for licensure to the commissioner, in a form and manner determined by the commissioner. The applicant must also submit the application fee, in the amount specified in section 144H.05, subdivision 1. ~~Effective~~ For the period January 1, 2019, through December 31, 2020, the commissioner shall issue licenses for no more than two PPEC centers according to the requirements in the phase-in of licensure of prescribed pediatric extended care centers in section 80. Beginning January 1, 2021, the commissioner shall issue a license for a PPEC center if the commissioner determines that the applicant and center meet the requirements of this chapter and rules that apply to PPEC centers. A license issued under this subdivision is valid for two years.

(b) The commissioner may limit issuance of PPEC center licenses to PPEC centers located in areas of the state with a demonstrated home care worker shortage.

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

Sec. 56. Minnesota Statutes 2016, section 145.56, subdivision 2, is amended to read:

Subd. 2. **Community-based programs.** To the extent funds are appropriated for the purposes of this subdivision, the commissioner shall establish a grant program to fund:

(1) community-based programs to provide education, outreach, and advocacy services to populations who may be at risk for suicide;

(2) community-based programs that educate community helpers and gatekeepers, such as family members, spiritual leaders, coaches, and business owners, employers, and coworkers on how to prevent suicide by encouraging help-seeking behaviors;

(3) community-based programs that educate populations at risk for suicide and community helpers and gatekeepers that must include information on the symptoms of depression and other psychiatric illnesses, the warning signs of suicide, skills for preventing suicides, and making or seeking effective referrals to intervention and community resources;

(4) community-based programs to provide evidence-based suicide prevention and intervention education to school staff, parents, and students in grades kindergarten through 12, and for students attending Minnesota colleges and universities;

(5) community-based programs to provide evidence-based suicide prevention and intervention to public school nurses, teachers, administrators, coaches, school social workers, peace officers, firefighters, emergency medical technicians, advanced emergency medical technicians, paramedics, primary care providers, and others; ~~and~~

(6) community-based, evidence-based postvention training to mental health professionals and practitioners in order to provide technical assistance to communities after a suicide and to prevent suicide clusters and contagion; and

(7) a nonprofit organization to provide crisis telephone counseling services across the state to people in suicidal crisis or emotional distress, 24 hours a day, seven days a week, 365 days a year.

Sec. 57. Minnesota Statutes 2016, section 145.928, subdivision 1, is amended to read:

Subdivision 1. **Goal; establishment.** It is the goal of the state, by 2010, to decrease by 50 percent the disparities in infant mortality rates and adult and child immunization rates for American Indians and populations of color, as compared with rates for whites. To do so and to achieve other measurable outcomes, the commissioner of health shall establish a program to close the gap in the health status of American Indians and populations of color as compared with whites in the following priority areas: infant mortality, access to and utilization of high-quality prenatal care, breast and cervical cancer screening, HIV/AIDS and sexually transmitted infections, adult and child immunizations, cardiovascular disease, diabetes, and accidental injuries and violence.

Sec. 58. Minnesota Statutes 2016, section 145.928, subdivision 7, is amended to read:

Subd. 7. **Community grant program; immunization rates, prenatal care access and utilization, and infant mortality rates.** (a) The commissioner shall award grants to eligible applicants for local or regional projects and initiatives directed at reducing health disparities in one or ~~both~~ more of the following priority areas:

(1) decreasing racial and ethnic disparities in infant mortality rates; ~~or~~

(2) decreasing racial and ethnic disparities in access to and utilization of high-quality prenatal care; or

~~(2)~~ (3) increasing adult and child immunization rates in nonwhite racial and ethnic populations.

(b) The commissioner may award up to 20 percent of the funds available as planning grants. Planning grants must be used to address such areas as community assessment, coordination activities, and development of community supported strategies.

(c) Eligible applicants may include, but are not limited to, faith-based organizations, social service organizations, community nonprofit organizations, community health boards, tribal governments, and community clinics. Applicants must submit proposals to the commissioner. A proposal must specify the strategies to be implemented to address one or ~~both~~ more of the priority areas listed in paragraph (a) and must be targeted to achieve the outcomes established according to subdivision 3.

(d) The commissioner shall give priority to applicants who demonstrate that their proposed project or initiative:

- (1) is supported by the community the applicant will serve;
- (2) is research-based or based on promising strategies;
- (3) is designed to complement other related community activities;
- (4) utilizes strategies that positively impact ~~both~~ two or more priority areas;
- (5) reflects racially and ethnically appropriate approaches; and

(6) will be implemented through or with community-based organizations that reflect the race or ethnicity of the population to be reached.

Sec. 59. Minnesota Statutes 2016, section 146B.03, is amended by adding a subdivision to read:

Subd. 7a. Supervisors. (a) A technician must have been licensed in Minnesota or in a jurisdiction with which Minnesota has reciprocity for at least:

- (1) two years as a tattoo technician in order to supervise a temporary tattoo technician; or
- (2) one year as a body piercing technician in order to supervise a temporary body piercing technician.

(b) Any technician who agrees to supervise more than two temporary tattoo technicians during the same time period, or more than four body piercing technicians during the same time period, must provide to the commissioner a supervisory plan that describes how the technician will provide supervision to each temporary technician in accordance with section 146B.01, subdivision 28.

(c) The commissioner may refuse to approve as a supervisor a technician who has been disciplined in Minnesota or in another jurisdiction after considering the criteria in section 146B.02, subdivision 10, paragraph (b).

Sec. 60. Minnesota Statutes 2016, section 147A.08, is amended to read:

147A.08 EXEMPTIONS.

(a) This chapter does not apply to, control, prevent, or restrict the practice, service, or activities of persons listed in section 147.09, clauses (1) to (6) and (8) to (13), persons regulated under section 214.01, subdivision 2, or persons defined in section 144.1501, subdivision 1, paragraphs ~~(i), (k), and (j)~~, (l), and (m).

(b) Nothing in this chapter shall be construed to require licensure of:

(1) a physician assistant student enrolled in a physician assistant educational program accredited by the Accreditation Review Commission on Education for the Physician Assistant or by its successor agency approved by the board;

(2) a physician assistant employed in the service of the federal government while performing duties incident to that employment; or

(3) technicians, other assistants, or employees of physicians who perform delegated tasks in the office of a physician but who do not identify themselves as a physician assistant.

Sec. 61. Minnesota Statutes 2016, section 148.512, subdivision 17a, is amended to read:

Subd. 17a. **Speech-language pathology assistant.** "Speech-language pathology assistant" means a person who ~~provides speech-language pathology services under the supervision of a licensed speech-language pathologist in accordance with section 148.5192~~ practices speech-language pathology assisting, meets the requirements under section 148.5185 or 148.5186, and is licensed by the commissioner.

EFFECTIVE DATE. This section is effective January 1, 2019.

Sec. 62. Minnesota Statutes 2016, section 148.513, subdivision 1, is amended to read:

Subdivision 1. **Unlicensed practice prohibited.** A person must not engage in the practice of speech-language pathology ~~or, audiology, or speech-language pathology assisting unless the person is licensed as a speech-language pathologist or, an audiologist, or a speech-language pathology assistant under sections 148.511 to 148.5198 or is practicing as a speech-language pathology assistant in accordance with section 148.5192.~~ For purposes of this subdivision, a speech-language pathology assistant's duties are limited to the duties described in accordance with section 148.5192, subdivision 2.

EFFECTIVE DATE. This section is effective January 1, 2019.

Sec. 63. Minnesota Statutes 2016, section 148.513, subdivision 2, is amended to read:

Subd. 2. **Protected titles and restrictions on use; speech-language pathologists and audiologists.** ~~(a) Notwithstanding paragraph (b) Except as provided in subdivision 2b,~~ (a) Except as provided in subdivision 2b, the use of the following terms or initials which represent the following terms, alone or in combination with any word or words, by any person to form an occupational title is prohibited unless that person is licensed as a speech-language pathologist or audiologist under sections 148.511 to 148.5198:

- (1) speech-language;
- (2) speech-language pathologist, S, SP, or SLP;
- (3) speech pathologist;
- (4) language pathologist;
- (5) audiologist, A, or AUD;
- (6) speech therapist;
- (7) speech clinician;
- (8) speech correctionist;
- (9) language therapist;
- (10) voice therapist;
- (11) voice pathologist;
- (12) logopedist;

- (13) communicologist;
- (14) aphasiologist;
- (15) phoniatrix;
- (16) audiometrist;
- (17) audioprosthologist;
- (18) hearing therapist;
- (19) hearing clinician; or
- (20) hearing aid audiologist.

Use of the term "Minnesota licensed" in conjunction with the titles protected under this ~~paragraph~~ subdivision by any person is prohibited unless that person is licensed as a speech-language pathologist or audiologist under sections 148.511 to 148.5198.

~~(b) A speech language pathology assistant practicing under section 148.5192 must not represent, indicate, or imply to the public that the assistant is a licensed speech language pathologist and shall only utilize one of the following titles: "speech language pathology assistant," "SLP assistant," or "SLP asst."~~

EFFECTIVE DATE. This section is effective January 1, 2019.

Sec. 64. Minnesota Statutes 2016, section 148.513, is amended by adding a subdivision to read:

Subd. 2b. **Protected titles and restrictions on use; speech-language pathology assistants.** (a) Use of the following titles is prohibited, unless that person is licensed under section 148.5185 or 148.5186: "speech-language pathology assistant," "SLP assistant," or "SLP asst."

(b) A speech-language pathology assistant licensed under section 148.5185 or 148.5186 must not represent, indicate, or imply to the public that the assistant is a licensed speech-language pathologist and shall only utilize one of the following titles: "speech-language pathology assistant," "SLP assistant," or "SLP asst." A speech-language pathology assistant licensed under section 148.5185 or 148.5186 may use the term "licensed" or "Minnesota licensed" in connection with a title listed in this paragraph. Use of the term "Minnesota licensed" in conjunction with any of the titles protected under paragraph (a) by any person is prohibited unless that person is licensed under section 148.5185 or 148.5186.

EFFECTIVE DATE. This section is effective January 1, 2019.

Sec. 65. Minnesota Statutes 2016, section 148.515, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** Except as provided in section 148.516 or 148.517, an applicant for licensure as a speech-language pathologist or audiologist must meet the requirements in this section.

EFFECTIVE DATE. This section is effective January 1, 2019.

Sec. 66. Minnesota Statutes 2016, section 148.516, is amended to read:

148.516 LICENSURE BY EQUIVALENCY.

An applicant who applies for licensure by equivalency as a speech-language pathologist or audiologist must show evidence of possessing a current certificate of clinical competence issued by the American Speech-Language-Hearing Association or board certification by the American Board of Audiology and must meet the requirements of section 148.514.

EFFECTIVE DATE. This section is effective January 1, 2019.

Sec. 67. **[148.5185] RESTRICTED LICENSURE; SPEECH-LANGUAGE PATHOLOGY ASSISTANTS.**

Subdivision 1. **Qualifications for a restricted license.** To be eligible for restricted licensure as a speech-language pathology assistant, an applicant must satisfy the requirements in subdivision 2, 3, or 4.

Subd. 2. **Person practicing as a speech-language pathology assistant before January 1, 2019.** (a) A person who is practicing as a speech-language pathology assistant before January 1, 2019, and who does not meet the qualifications for a license under section 148.5186 may apply for a restricted speech-language pathology assistant license from the commissioner. An applicant under this paragraph must submit to the commissioner:

(1) proof of current employment as a speech-language pathology assistant; and

(2) a signed affidavit affirming supervision, from the licensed speech-language pathologist currently supervising the applicant.

(b) In order to be licensed as a speech-language pathology assistant under section 148.5186, a licensee with a restricted license under this subdivision must obtain an associate degree from a speech-language pathology assistant program that is accredited by the Higher Learning Commission of the North Central Association of Colleges or its equivalent, as approved by the commissioner, and that includes (1) coursework on an introduction to communication disorders, phonetics, language development, articulation disorders, language disorders, anatomy of speech/language hearing, stuttering, adult communication disorders, and clinical documentations and materials management; and (2) at least 100 hours of supervised field work experience in speech-language pathology assisting. Upon completion of the requirements in this paragraph prior to January 1, 2025, a licensee with a restricted license under this subdivision is eligible to apply for licensure under section 148.5186.

Subd. 3. **Person with a bachelor's degree in communication sciences or disorders and practicing as a speech-language pathology assistant before January 1, 2019.** (a) A person with a bachelor's degree in the discipline of communication sciences or disorders and who is practicing as a speech-language pathology assistant before January 1, 2019, but who does not meet the qualifications for a license under section 148.5186, may apply for a restricted speech-language pathology assistant license from the commissioner. An applicant under this paragraph must submit to the commissioner:

(1) a transcript from an educational institution documenting satisfactory completion of a bachelor's degree in the discipline of communication sciences or disorders;

(2) proof of current employment as a speech-language pathology assistant; and

(3) a signed affidavit affirming supervision, from the licensed speech-language pathologist currently supervising the applicant.

(b) In order to be licensed as a speech-language pathology assistant under section 148.5186, a licensee with a restricted license under this subdivision must complete (1) coursework from a speech-language pathology assistant program in articulation disorders, language disorders, adult communication disorders, and stuttering; and (2) at least 100 hours of supervised field work experience in speech-language pathology assisting. Upon completion of the requirements in this paragraph prior to January 1, 2025, a licensee with a restricted license under this subdivision is eligible to apply for licensure under section 148.5186.

Subd. 4. Person with an associate degree from a program that does not meet requirements in section 148.5186. (a) A person with an associate degree from a speech-language pathology assistant program that does not meet the requirements in section 148.5186, subdivision 1, clause (1), may apply for a restricted speech-language pathology assistant license from the commissioner. An applicant under this paragraph must submit to the commissioner a transcript from an educational institution documenting satisfactory completion of an associate degree from a speech-language pathology assistant program. If the commissioner determines that the applicant's speech-language pathology assistant program does not include coursework or supervised field work experience that is equivalent to a program under section 148.5186, subdivision 1, clause (1), the commissioner may issue a restricted license to the applicant.

(b) In order to be licensed as a speech-language pathology assistant under section 148.5186, a licensee with a restricted license under this subdivision must complete any missing coursework or supervised field work experience, as determined by the commissioner, in a speech-language pathology assisting program. Upon completion of the requirements in this paragraph prior to January 1, 2025, a licensee with a restricted license under this subdivision is eligible to apply for licensure under section 148.5186.

Subd. 5. Additional requirements; restricted license. (a) A restricted license issued under subdivision 2, 3, or 4 may be renewed biennially until January 1, 2025.

(b) A licensee with a restricted license under subdivision 2 or 3 may only practice speech-language pathology assisting for the employer with whom the licensee was employed when the licensee applied for licensure.

Subd. 6. Continuing education. In order to renew a restricted license, a licensee must comply with the continuing education requirements in section 148.5193, subdivision 1a.

Subd. 7. Scope of practice. Scope of practice for a speech-language pathology assistant licensed under this section is governed by section 148.5192, subdivision 2.

EFFECTIVE DATE. This section is effective January 1, 2019.

Sec. 68. **[148.5186] LICENSURE; SPEECH-LANGUAGE PATHOLOGY ASSISTANTS.**

Subdivision 1. Requirements for licensure. To be eligible for licensure as a speech-language pathology assistant, an applicant must submit to the commissioner a transcript from an educational institution documenting satisfactory completion of either:

(1) an associate degree from a speech-language pathology assistant program that is accredited by the Higher Learning Commission of the North Central Association of Colleges or its equivalent as approved by the commissioner, which includes at least 100 hours of supervised field work experience in speech-language pathology assisting; or

(2) a bachelor's degree in the discipline of communication sciences or disorders and a speech-language pathology assistant certificate program that includes (i) coursework in an introduction to speech-language pathology assisting, stuttering, articulation disorders, and language disorders; and (ii) at least 100 hours of supervised field work experience in speech-language pathology assisting.

Subd. 2. **Licensure by equivalency.** An applicant who applies for licensure by equivalency as a speech-language pathology assistant must provide evidence to the commissioner of satisfying the requirements in subdivision 1.

Subd. 3. **Scope of practice.** Scope of practice for a speech-language pathology assistant licensed under this section is governed by section 148.5192, subdivision 2.

EFFECTIVE DATE. This section is effective January 1, 2019.

Sec. 69. Minnesota Statutes 2017 Supplement, section 148.519, subdivision 1, is amended to read:

Subdivision 1. **Applications for licensure; speech-language pathologists and audiologists.** (a) An applicant for licensure as a speech-language pathologist or audiologist must:

(1) submit a completed application for licensure on forms provided by the commissioner. The application must include the applicant's name, certification number under chapter 153A, if applicable, business address and telephone number, or home address and telephone number if the applicant practices speech-language pathology or audiology out of the home, and a description of the applicant's education, training, and experience, including previous work history for the five years immediately preceding the date of application. The commissioner may ask the applicant to provide additional information necessary to clarify information submitted in the application; and

(2) submit documentation of the certificate of clinical competence issued by the American Speech-Language-Hearing Association, board certification by the American Board of Audiology, or satisfy the following requirements:

(i) submit a transcript showing the completion of a master's or doctoral degree or its equivalent meeting the requirements of section 148.515, subdivision 2;

(ii) submit documentation of the required hours of supervised clinical training;

(iii) submit documentation of the postgraduate clinical or doctoral clinical experience meeting the requirements of section 148.515, subdivision 4; and

(iv) submit documentation of receiving a qualifying score on an examination meeting the requirements of section 148.515, subdivision 6.

(b) In addition, an applicant must:

(1) sign a statement that the information in the application is true and correct to the best of the applicant's knowledge and belief;

(2) submit with the application all fees required by section 148.5194;

(3) sign a waiver authorizing the commissioner to obtain access to the applicant's records in this or any other state in which the applicant has engaged in the practice of speech-language pathology or audiology; and

(4) consent to a fingerprint-based criminal history background check as required under section 144.0572, pay all required fees, and cooperate with all requests for information. An applicant must complete a new criminal history background check if more than one year has elapsed since the applicant last applied for a license.

EFFECTIVE DATE. This section is effective January 1, 2019.

Sec. 70. Minnesota Statutes 2016, section 148.519, is amended by adding a subdivision to read:

Subd. 1a. Applications for licensure; speech-language pathology assistants. An applicant for licensure as a speech-language pathology assistant must submit to the commissioner:

(1) a completed application on forms provided by the commissioner. The application must include the applicant's name, business address and telephone number, home address and telephone number, and a description of the applicant's education, training, and experience, including previous work history for the five years immediately preceding the application date. The commissioner may ask the applicant to provide additional information needed to clarify information submitted in the application;

(2) documentation that the applicant satisfied one of the qualifications listed in section 148.5185 or 148.5186;

(3) a signed statement that the information in the application is true and correct to the best of the applicant's knowledge and belief;

(4) all fees required under section 148.5194; and

(5) a signed waiver authorizing the commissioner to obtain access to the applicant's records in this or any other state in which the applicant has worked as a speech-language pathology assistant.

EFFECTIVE DATE. This section is effective January 1, 2019.

Sec. 71. Minnesota Statutes 2016, section 148.5192, subdivision 1, is amended to read:

Subdivision 1. **Delegation requirements.** A licensed speech-language pathologist may delegate duties to a speech-language pathology assistant in accordance with this section. Duties may only be delegated to an individual who ~~has documented with a transcript from an educational institution satisfactory completion of either:~~

~~(1) an associate degree from a speech language pathology assistant program that is accredited by the Higher Learning Commission of the North Central Association of Colleges or its equivalent as approved by the commissioner; or~~

~~(2) a bachelor's degree in the discipline of communication sciences or disorders with additional transcript credit in the area of instruction in assistant level service delivery practices and completion of at least 100 hours of supervised field work experience as a speech language pathology assistant student is licensed under section 148.5185 or 148.5186.~~

EFFECTIVE DATE. This section is effective January 1, 2019.

Sec. 72. Minnesota Statutes 2017 Supplement, section 148.5193, subdivision 1, is amended to read:

Subdivision 1. **Number of contact hours required.** (a) An applicant for licensure renewal as a speech-language pathologist or audiologist must meet the requirements for continuing education stipulated by the American Speech-Language-Hearing Association or the American Board of Audiology, or satisfy the requirements described in paragraphs (b) to (e).

(b) Within one month following expiration of a license, an applicant for licensure renewal as either a speech-language pathologist or an audiologist must provide evidence to the commissioner of a minimum of 30 contact hours of continuing education obtained within the two years immediately preceding licensure expiration. A minimum of 20 contact hours of continuing education must be directly related to the licensee's area of licensure. Ten contact hours of continuing education may be in areas generally related to the licensee's area of licensure. Licensees who are issued licenses for a period of less than two years shall prorate the number of contact hours required for licensure renewal based on the number of months licensed during the biennial licensure period. Licensees shall receive contact hours for continuing education activities only for the biennial licensure period in which the continuing education activity was performed.

(c) An applicant for licensure renewal as both a speech-language pathologist and an audiologist must attest to and document completion of a minimum of 36 contact hours of continuing education offered by a continuing education sponsor within the two years immediately preceding licensure renewal. A minimum of 15 contact hours must be received in the area of speech-language pathology and a minimum of 15 contact hours must be received in the area of audiology. Six contact hours of continuing education may be in areas generally related to the licensee's areas of licensure. Licensees who are issued licenses for a period of less than two years shall prorate the number of contact hours required for licensure renewal based on the number of months licensed during the biennial licensure period. Licensees shall receive contact hours for continuing education activities only for the biennial licensure period in which the continuing education activity was performed.

(d) If the licensee is licensed by the Professional Educator Licensing and Standards Board:

(1) activities that are approved in the categories of Minnesota Rules, part 8710.7200, subpart 3, items A and B, and that relate to speech-language pathology, shall be considered:

(i) offered by a sponsor of continuing education; and

(ii) directly related to speech-language pathology;

(2) activities that are approved in the categories of Minnesota Rules, part 8710.7200, subpart 3, shall be considered:

(i) offered by a sponsor of continuing education; and

(ii) generally related to speech-language pathology; and

(3) one clock hour as defined in Minnesota Rules, part 8710.7200, subpart 1, is equivalent to 1.0 contact hours of continuing education.

(e) Contact hours may not be accumulated in advance and transferred to a future continuing education period.

EFFECTIVE DATE. This section is effective January 1, 2019.

Sec. 73. Minnesota Statutes 2016, section 148.5193, is amended by adding a subdivision to read:

Subd. 1a. Continuing education; speech-language pathology assistants. An applicant for licensure renewal as a speech-language pathology assistant must meet the requirements for continuing education established by the commissioner.

EFFECTIVE DATE. This section is effective January 1, 2019.

Sec. 74. Minnesota Statutes 2016, section 148.5194, is amended by adding a subdivision to read:

Subd. 3b. **Speech-language pathology assistant initial licensure and renewal fees.** The fee for initial speech-language pathology assistant licensure under section 148.5185 or 148.5186 is \$130. The fee for licensure renewal is \$120.

EFFECTIVE DATE. This section is effective January 1, 2019.

Sec. 75. Minnesota Statutes 2016, section 148.5194, subdivision 8, is amended to read:

Subd. 8. **Penalty fees.** (a) The penalty fee for practicing speech-language pathology or audiology or using protected titles without a current license after the credential has expired and before it is renewed is the amount of the license renewal fee for any part of the first month, plus the license renewal fee for any part of any subsequent month up to 36 months. The penalty fee for a speech-language pathology assistant who practices speech-language pathology assisting or uses protected titles without a current license after a license has expired and before it is renewed is the amount of the license renewal fee for any part of the first month, plus the license renewal fee for any part of any subsequent month up to 36 months.

(b) The penalty fee for applicants who engage in the unauthorized practice of speech-language pathology or audiology or using protected titles before being issued a license is the amount of the license application fee for any part of the first month, plus the license application fee for any part of any subsequent month up to 36 months. The penalty fee for a speech-language pathology assistant who engages in the unauthorized practice of speech-language pathology assisting or uses protected titles without being issued a license is the amount of the license application fee for any part of the first month, plus the license application fee for any part of any subsequent month up to 36 months. This paragraph does not apply to applicants not qualifying for a license who engage in the unauthorized practice of speech language pathology or audiology.

(c) The penalty fee for practicing speech-language pathology or audiology and failing to submit a continuing education report by the due date with the correct number or type of hours in the correct time period is \$100 plus \$20 for each missing clock hour. The penalty fee for a licensed speech-language pathology assistant who fails to submit a continuing education report by the due date with the correct number or type of hours in the correct time period is \$100 plus \$20 for each missing clock hour. "Missing" means not obtained between the effective and expiration dates of the certificate, the one-month period following the certificate expiration date, or the 30 days following notice of a penalty fee for failing to report all continuing education hours. The licensee must obtain the missing number of continuing education hours by the next reporting due date.

(d) Civil penalties and discipline incurred by licensees prior to August 1, 2005, for conduct described in paragraph (a), (b), or (c) shall be recorded as nondisciplinary penalty fees. For conduct described in paragraph (a) or (b) occurring after August 1, 2005, and exceeding six months, payment of a penalty fee does not preclude any disciplinary action reasonably justified by the individual case.

EFFECTIVE DATE. This section is effective January 1, 2019.

Sec. 76. Minnesota Statutes 2016, section 148.5195, subdivision 3, is amended to read:

Subd. 3. **Grounds for disciplinary action by commissioner.** The commissioner may take any of the disciplinary actions listed in subdivision 4 on proof that the individual has:

(1) intentionally submitted false or misleading information to the commissioner or the advisory council;

(2) failed, within 30 days, to provide information in response to a written request by the commissioner or advisory council;

(3) performed services of a speech-language pathologist ~~or~~, audiologist, or speech-language pathology assistant in an incompetent or negligent manner;

(4) violated sections 148.511 to 148.5198;

(5) failed to perform services with reasonable judgment, skill, or safety due to the use of alcohol or drugs, or other physical or mental impairment;

(6) violated any state or federal law, rule, or regulation, and the violation is a felony or misdemeanor, an essential element of which is dishonesty, or which relates directly or indirectly to the practice of speech-language pathology ~~or~~, audiology, or speech-language pathology assisting. Conviction for violating any state or federal law which relates to speech-language pathology ~~or~~, audiology, or speech-language pathology assisting is necessarily considered to constitute a violation, except as provided in chapter 364;

(7) aided or abetted another person in violating any provision of sections 148.511 to 148.5198;

(8) been or is being disciplined by another jurisdiction, if any of the grounds for the discipline is the same or substantially equivalent to those under sections 148.511 to 148.5198;

(9) not cooperated with the commissioner or advisory council in an investigation conducted according to subdivision 1;

(10) advertised in a manner that is false or misleading;

(11) engaged in conduct likely to deceive, defraud, or harm the public; or demonstrated a willful or careless disregard for the health, welfare, or safety of a client;

(12) failed to disclose to the consumer any fee splitting or any promise to pay a portion of a fee to any other professional other than a fee for services rendered by the other professional to the client;

(13) engaged in abusive or fraudulent billing practices, including violations of federal Medicare and Medicaid laws, Food and Drug Administration regulations, or state medical assistance laws;

(14) obtained money, property, or services from a consumer through the use of undue influence, high pressure sales tactics, harassment, duress, deception, or fraud;

(15) performed services for a client who had no possibility of benefiting from the services;

(16) failed to refer a client for medical evaluation or to other health care professionals when appropriate or when a client indicated symptoms associated with diseases that could be medically or surgically treated;

(17) had the certification required by chapter 153A denied, suspended, or revoked according to chapter 153A;

(18) used the term doctor of audiology, doctor of speech-language pathology, AuD, or SLPD without having obtained the degree from an institution accredited by the North Central Association of Colleges and Secondary Schools, the Council on Academic Accreditation in Audiology and Speech-Language Pathology, the United States Department of Education, or an equivalent;

(19) failed to comply with the requirements of section 148.5192 regarding supervision of speech-language pathology assistants; or

(20) if the individual is an audiologist or certified hearing instrument dispenser:

(i) prescribed or otherwise recommended to a consumer or potential consumer the use of a hearing instrument, unless the prescription from a physician or recommendation from an audiologist or certified dispenser is in writing, is based on an audiogram that is delivered to the consumer or potential consumer when the prescription or recommendation is made, and bears the following information in all capital letters of 12-point or larger boldface type: "THIS PRESCRIPTION OR RECOMMENDATION MAY BE FILLED BY, AND HEARING INSTRUMENTS MAY BE PURCHASED FROM, THE LICENSED AUDIOLOGIST OR CERTIFIED DISPENSER OF YOUR CHOICE";

(ii) failed to give a copy of the audiogram, upon which the prescription or recommendation is based, to the consumer when the consumer requests a copy;

(iii) failed to provide the consumer rights brochure required by section 148.5197, subdivision 3;

(iv) failed to comply with restrictions on sales of hearing instruments in sections 148.5197, subdivision 3, and 148.5198;

(v) failed to return a consumer's hearing instrument used as a trade-in or for a discount in the price of a new hearing instrument when requested by the consumer upon cancellation of the purchase agreement;

(vi) failed to follow Food and Drug Administration or Federal Trade Commission regulations relating to dispensing hearing instruments;

(vii) failed to dispense a hearing instrument in a competent manner or without appropriate training;

(viii) delegated hearing instrument dispensing authority to a person not authorized to dispense a hearing instrument under this chapter or chapter 153A;

(ix) failed to comply with the requirements of an employer or supervisor of a hearing instrument dispenser trainee;

(x) violated a state or federal court order or judgment, including a conciliation court judgment, relating to the activities of the individual's hearing instrument dispensing; or

(xi) failed to include on the audiogram the practitioner's printed name, credential type, credential number, signature, and date.

EFFECTIVE DATE. This section is effective January 1, 2019.

Sec. 77. Minnesota Statutes 2017 Supplement, section 148.5196, subdivision 1, is amended to read:

Subdivision 1. **Membership.** The commissioner shall appoint ~~12~~ 13 persons to a Speech-Language Pathologist and Audiologist Advisory Council. The ~~12~~ 13 persons must include:

(1) three public members, as defined in section 214.02. Two of the public members shall be either persons receiving services of a speech-language pathologist or audiologist, or family members of or caregivers to such persons, and at least one of the public members shall be either a hearing instrument user or an advocate of one;

(2) three speech-language pathologists licensed under sections 148.511 to 148.5198, one of whom is currently and has been, for the five years immediately preceding the appointment, engaged in the practice of speech-language pathology in Minnesota and each of whom is employed in a different employment setting including, but not limited to, private practice, hospitals, rehabilitation settings, educational settings, and government agencies;

(3) one speech-language pathologist licensed under sections 148.511 to 148.5198, who is currently and has been, for the five years immediately preceding the appointment, employed by a Minnesota public school district or a Minnesota public school district consortium that is authorized by Minnesota Statutes and who is licensed in speech-language pathology by the Professional Educator Licensing and Standards Board;

(4) three audiologists licensed under sections 148.511 to 148.5198, two of whom are currently and have been, for the five years immediately preceding the appointment, engaged in the practice of audiology and the dispensing of hearing instruments in Minnesota and each of whom is employed in a different employment setting including, but not limited to, private practice, hospitals, rehabilitation settings, educational settings, industry, and government agencies;

(5) one nonaudiologist hearing instrument dispenser recommended by a professional association representing hearing instrument dispensers; ~~and~~

(6) one physician licensed under chapter 147 and certified by the American Board of Otolaryngology, Head and Neck Surgery; and

(7) one speech-language pathology assistant licensed under section 148.5186.

EFFECTIVE DATE. This section is effective January 1, 2019.

Sec. 78. Minnesota Statutes 2016, section 148.5196, subdivision 3, is amended to read:

Subd. 3. **Duties.** The advisory council shall:

(1) advise the commissioner regarding speech-language pathologist ~~and~~, audiologist, and speech-language pathology assistant licensure standards;

(2) advise the commissioner regarding the delegation of duties to and the training required for speech-language pathology assistants;

(3) advise the commissioner on enforcement of sections 148.511 to 148.5198;

(4) provide for distribution of information regarding speech-language pathologist ~~and~~, audiologist, and speech-language pathology assistant licensure standards;

(5) review applications and make recommendations to the commissioner on granting or denying licensure or licensure renewal;

(6) review reports of investigations relating to individuals and make recommendations to the commissioner as to whether licensure should be denied or disciplinary action taken against the individual;

(7) advise the commissioner regarding approval of continuing education activities provided by sponsors using the criteria in section 148.5193, subdivision 2; and

(8) perform other duties authorized for advisory councils under chapter 214, or as directed by the commissioner.

EFFECTIVE DATE. This section is effective January 1, 2019.

Sec. 79. Minnesota Statutes 2016, section 149A.40, subdivision 11, is amended to read:

Subd. 11. **Continuing education.** The commissioner shall require 15 continuing education hours for renewal of a license to practice mortuary science. Nine of the hours must be in the following areas: body preparation, care, ~~or~~ handling, and cremation, 3 CE hours; professional practices, 3 CE hours; and regulation and ethics, 3 CE hours. Continuing education hours shall be reported to the commissioner every other year based on the licensee's license number. Licensees whose license ends in an odd number must report CE hours at renewal time every odd year. If a licensee's license ends in an even number, the licensee must report the licensee's CE hours at renewal time every even year.

EFFECTIVE DATE. This section is effective January 1, 2019, and applies to mortuary science license renewals on or after that date.

Sec. 80. Minnesota Statutes 2016, section 149A.95, subdivision 3, is amended to read:

Subd. 3. **Unlicensed personnel.** (a) A licensed crematory may employ unlicensed personnel, provided that all applicable provisions of this chapter are followed. It is the duty of the licensed crematory to provide proper training ~~for~~ to all unlicensed personnel and ensure that unlicensed personnel performing cremations are in compliance with the requirements in paragraph (b). The licensed crematory shall be strictly accountable for compliance with this chapter and other applicable state and federal regulations regarding occupational and workplace health and safety.

(b) Unlicensed personnel performing cremations at a licensed crematory must:

(1) complete a certified crematory operator course that is approved by the commissioner and that covers at least the following subjects:

(i) cremation and incinerator terminology;

(ii) combustion principles;

(iii) maintenance of and troubleshooting for cremation devices;

(iv) how to operate cremation devices;

(v) identification, the use of proper forms, and the record-keeping process for documenting chain of custody of human remains;

(vi) guidelines for recycling, including but not limited to compliance, disclosure, recycling procedures, and compensation;

(vii) legal and regulatory requirements regarding environmental issues, including specific environmental regulations with which compliance is required; and

(viii) cremation ethics;

(2) obtain a crematory operator certification;

(3) publicly post the crematory operator certification at the licensed crematory where the unlicensed personnel performs cremations; and

(4) maintain crematory operator certification through:

(i) recertification, if such recertification is required by the program through which the unlicensed personnel is certified; or

(ii) if recertification is not required by the program, completion of at least seven hours of continuing education credits in crematory operation every five years.

EFFECTIVE DATE. This section is effective January 1, 2019, and applies to unlicensed personnel performing cremations on or after that date.

Sec. 81. **PHASE-IN OF LICENSURE OF PRESCRIBED PEDIATRIC EXTENDED CARE CENTERS.**

Subdivision 1. **2019-2020 licensure period.** The commissioner of health shall phase in the licensure of prescribed pediatric extended care centers (PPEC centers) under Minnesota Statutes, chapter 144H, by issuing licenses for no more than two PPEC centers for the licensure period January 1, 2019, through December 31, 2020. To be eligible for licensure for the licensure period January 1, 2019, through December 31, 2020, an entity must hold a current comprehensive home care license under Minnesota Statutes, sections 144A.43 to 144A.482, and must have experience providing home care services to medically complex or technologically dependent children, as defined in Minnesota Statutes, section 144H.01, subdivision 5. Beginning January 1, 2021, the commissioner shall license additional PPEC centers if the commissioner determines that the applicant and the center meet the licensing requirements of Minnesota Statutes, chapter 144H.

Subd. 2. **Quality measures; development and reporting.** The commissioner of health, in consultation with prescribed pediatric extended care centers licensed for the 2019-2020 licensure period, shall develop quality measures for PPEC centers, procedures for PPEC centers to report quality measures to the commissioner, and methods for the commissioner to make the results of the quality measures available to the public.

Sec. 82. **OLDER ADULT SOCIAL ISOLATION WORKING GROUP.**

Subdivision 1. **Establishment; members.** The commissioner of health or the commissioner's designee shall convene an older adult social isolation working group that consists of no more than 35 members including, but not limited to:

- (1) one person diagnosed with Alzheimer's or dementia;
- (2) one caregiver of a person diagnosed with Alzheimer's or dementia;
- (3) the executive director of Giving Voice;
- (4) one representative from the Mayo Clinic Alzheimer's Disease Research Center;
- (5) one representative from AARP Minnesota;
- (6) one representative from Little Brothers-Friends of the Elderly, Minneapolis/St. Paul;
- (7) one representative from the Alzheimer's Association Minnesota-North Dakota Chapter;
- (8) one representative from the American Heart Association Minnesota Chapter;
- (9) one representative from the Minnesota HomeCare Association;
- (10) two representatives from long-term care trade associations;

- (11) one representative from the Minnesota Rural Health Association;
- (12) the commissioner of health or the commissioner's designee;
- (13) one representative from the Minnesota Board on Aging;
- (14) one representative from the Commission of Deaf, Deafblind and Hard of Hearing Minnesotans;
- (15) one representative from the Minnesota Nurses Association;
- (16) one representative from the Minnesota Council of Churches;
- (17) one representative from the Minnesota Leadership Council on Aging;
- (18) one representative from the Minnesota Association of Senior Services;
- (19) one representative from Metro Meals on Wheels;
- (20) one rural Minnesota geriatrician or family physician;
- (21) at least two representatives from the University of Minnesota;
- (22) one representative from one of the Minnesota Area Agencies on Aging;
- (23) at least two members representing Minnesota rural communities;
- (24) additional members representing communities of color;
- (25) one representative from the National Alliance on Mental Illness; and
- (26) one representative from the Citizens League.

Subd. 2. **Duties; recommendations.** The older adult social isolation working group must assess the current and future impact of social isolation on the lives of Minnesotans over age 55. The working group shall consider and make recommendations to the governor and chairs and members of the health and human services committees in the house of representatives and senate on the following issues:

- (1) the public health impact of social isolation in the older adult population of Minnesota;
- (2) identify existing Minnesota resources, services, and capacity to respond to the issue of social isolation in older adults;
- (3) needed policies or community responses, including but not limited to expanding current services or developing future services after identifying gaps in service for rural geographical areas;
- (4) needed policies or community responses, including but not limited to the expansion of culturally appropriate current services or developing future services after identifying gaps in service for persons of color; and
- (5) impact of social isolation on older adults with disabilities and needed policies or community responses.

Subd. 3. **Meetings.** The working group must hold at least four public meetings beginning August 10, 2018. To the extent possible, technology must be utilized to reach the greatest number of interested persons throughout the state. The working group must complete the required meeting schedule by December 10, 2018.

Subd. 4. **Report.** The commissioner of health must submit a report and the working group's recommendations to the governor and chairs and members of the health and human services committees in the house of representatives and senate no later than January 14, 2019.

Subd. 5. **Sunset.** The working group sunsets upon delivery of the required report to the governor and legislative committees.

Sec. 83. **RULEMAKING; WELL AND BORING RECORDS.**

(a) The commissioner of health shall amend Minnesota Rules, part 4725.1851, subpart 1, to require the licensee, registrant, or property owner or lessee to submit the record of well or boring construction or sealing within 60 days after completion of the work, rather than within 30 days after completion of the work.

(b) The commissioner may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules under this section, and Minnesota Statutes, section 14.386, does not apply, except as provided under Minnesota Statutes, section 14.388.

Sec. 84. **RULEMAKING; SECURITY SCREENING SYSTEMS.**

The commissioner of health may adopt permanent rules to implement Minnesota Statutes, section 144.121, subdivision 9, by December 31, 2020. If the commissioner of health does not adopt rules by December 31, 2020, rulemaking authority under this section is repealed. Rulemaking authority under this section is not continuing authority to amend or repeal the rule. Any additional action on rules once adopted must be pursuant to specific statutory authority to take the additional action.

Sec. 85. **ADVISORY COUNCIL ON PANDAS AND PANS; INITIAL APPOINTMENTS AND FIRST MEETING.**

The appointing authorities shall appoint the first members of the advisory council on PANDAS and PANS under Minnesota Statutes, section 144.131, no later than October 1, 2018. The commissioner of health shall convene the first meeting by November 1, 2018, and the commissioner or the commissioner's designee shall act as chair until the advisory council elects a chair at its first meeting. Notwithstanding the length of terms specified in Minnesota Statutes, section 144.131, subdivision 3, at the first meeting of the advisory council, the chair elected by the members shall determine by lot one-third of the advisory council members whose terms shall expire on September 30 of the calendar year following the year of first appointment, one-third of the advisory council members whose terms shall expire on September 30 of the second calendar year following the year of first appointment, and the remaining advisory council members whose terms shall expire on September 30 of the third calendar year following the year of first appointment.

Sec. 86. **VARIANCE TO REQUIREMENT FOR SANITARY DUMPING STATION.**

Notwithstanding any law or rule to the contrary, the commissioner of health shall provide a variance to the requirement to provide a sanitary dumping station under Minnesota Rules, part 4630.0900, for a resort in Hubbard County that is located on an island and is landlocked, making it impractical to build a sanitary dumping station for use by recreational camping vehicles and recreational camping on the resort property. There must be an alternative dumping station available within a 15-mile radius of the resort or a vendor that is available to pump any self-contained liquid waste system that is located on the resort property.

Sec. 87. **REVISOR'S INSTRUCTIONS.**

(a) The revisor of statutes shall change the terms "service plan or service agreement" and "service agreement or service plan" to "service agreement" in the following sections of Minnesota Statutes: sections 144A.442; 144D.045; 144G.03, subdivision 4, paragraph (c); and 144G.04.

(b) The revisor of statutes shall change the term "service plan" to "service agreement" and the term "service plans" to "service agreements" in the following sections of Minnesota Statutes: sections 144A.44; 144A.45; 144A.475; 144A.4791; 144A.4792; 144A.4793; 144A.4794; 144D.04; and 144G.03, subdivision 4, paragraph (a).

Sec. 88. **REPEALER.**

(a) Minnesota Statutes 2016, sections 144A.45, subdivision 6; and 144A.481, are repealed.

(b) Minnesota Statutes 2017 Supplement, section 146B.02, subdivision 7a, is repealed.

ARTICLE 2
HEALTH CARE

Section 1. Minnesota Statutes 2017 Supplement, section 13.69, subdivision 1, is amended to read:

Subdivision 1. **Classifications.** (a) The following government data of the Department of Public Safety are private data:

(1) medical data on driving instructors, licensed drivers, and applicants for parking certificates and special license plates issued to physically disabled persons;

(2) other data on holders of a disability certificate under section 169.345, except that (i) data that are not medical data may be released to law enforcement agencies, and (ii) data necessary for enforcement of sections 169.345 and 169.346 may be released to parking enforcement employees or parking enforcement agents of statutory or home rule charter cities and towns;

(3) Social Security numbers in driver's license and motor vehicle registration records, except that Social Security numbers must be provided to the Department of Revenue for purposes of tax administration, the Department of Labor and Industry for purposes of workers' compensation administration and enforcement, the judicial branch for purposes of debt collection, and the Department of Natural Resources for purposes of license application administration, and except that the last four digits of the Social Security number must be provided to the Department of Human Services for purposes of recovery of Minnesota health care program benefits paid; and

(4) data on persons listed as standby or temporary custodians under section 171.07, subdivision 11, except that the data must be released to:

(i) law enforcement agencies for the purpose of verifying that an individual is a designated caregiver; or

(ii) law enforcement agencies who state that the license holder is unable to communicate at that time and that the information is necessary for notifying the designated caregiver of the need to care for a child of the license holder.

The department may release the Social Security number only as provided in clause (3) and must not sell or otherwise provide individual Social Security numbers or lists of Social Security numbers for any other purpose.

(b) The following government data of the Department of Public Safety are confidential data: data concerning an individual's driving ability when that data is received from a member of the individual's family.

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 2. Minnesota Statutes 2016, section 62A.30, is amended by adding a subdivision to read:

Subd. 4. Mammograms. (a) For purposes of subdivision 2, coverage for a preventive mammogram screening shall include digital breast tomosynthesis for enrollees at risk for breast cancer, and shall be covered as a preventive item or service, as described under section 62Q.46.

(b) For purposes of this subdivision, "digital breast tomosynthesis" means a radiologic procedure that involves the acquisition of projection images over the stationary breast to produce cross-sectional digital three-dimensional images of the breast. "At risk for breast cancer" means:

(1) having a family history with one or more first or second degree relatives with breast cancer;

(2) testing positive for BRCA1 or BRCA2 mutations;

(3) having heterogeneously dense breasts or extremely dense breasts based on the Breast Imaging Reporting and Data System established by the American College of Radiology; or

(4) having a previous diagnosis of breast cancer.

(c) This subdivision does not apply to coverage provided through a public health care program under chapter 256B or 256L.

(d) Nothing in this subdivision limits the coverage of digital breast tomosynthesis in a policy, plan, certificate, or contract referred to in subdivision 1 that is in effect prior to January 1, 2019.

(e) Nothing in this subdivision prohibits a policy, plan, certificate, or contract referred to in subdivision 1 from covering digital breast tomosynthesis for an enrollee who is not at risk for breast cancer.

EFFECTIVE DATE. This section is effective January 1, 2019, and applies to health plans issued, sold, or renewed on or after that date.

Sec. 3. Minnesota Statutes 2016, section 62A.65, subdivision 7, is amended to read:

Subd. 7. Short-term coverage. (a) For purposes of this section, "short-term coverage" means an individual health plan that:

~~(1) is issued to provide coverage for a period of 185 days or less, except that the health plan may permit coverage to continue until the end of a period of hospitalization for a condition for which the covered person was hospitalized on the day that coverage would otherwise have ended~~ than 12 months;

~~(2) is nonrenewable, provided that the health carrier may provide coverage for one or more subsequent periods that satisfy clause (1), if the total of the periods of coverage do not exceed a total of 365 days out of any 555 day period, plus any additional days covered as a result of hospitalization on the day that a period of coverage would otherwise have ended~~ may be renewed for only one additional period meeting the requirements of clause (1); and

~~(3) does not cover any preexisting conditions for the first six months of coverage, including ones that originated during a previous identical policy or contract with the same health carrier where coverage was continuous between the previous and the current policy or contract; and,~~

~~(4) is available with an immediate effective date without underwriting upon receipt of a completed application indicating eligibility under the health carrier's eligibility requirements, provided that coverage that includes optional benefits may be offered on a basis that does not meet this requirement.~~

(b) Short-term coverage is not subject to subdivisions 2 and 5. Short-term coverage may exclude as a preexisting condition any injury, illness, or condition for which the covered person had medical treatment, symptoms, or any manifestations before the effective date of the coverage, but dependent children born or placed for adoption during the policy period must not be subject to this provision.

~~(c) Notwithstanding subdivision 3, and section 62A.021, a health carrier may combine short term coverage with its most commonly sold individual qualified plan, as defined in section 62E.02, other than short term coverage, for purposes of complying with the loss ratio requirement.~~

~~(d) The 365 day coverage limitation provided in paragraph (a) applies to the total number of days of short term coverage that covers a person, regardless of the number of policies, contracts, or health carriers that provide the coverage. A written application for short term coverage must ask the applicant whether the applicant has been covered by short term coverage by any health carrier within the 555 days immediately preceding the effective date of the coverage being applied for. Short term coverage issued in violation of the 365 day limitation is valid until the end of its term and does not lose its status as short term coverage, in spite of the violation. A health carrier that knowingly issues short term coverage in violation of the 365 day limitation is subject to the administrative penalties otherwise available to the commissioner of commerce or the commissioner of health, as appropriate.~~

Sec. 4. Minnesota Statutes 2016, section 62Q.55, subdivision 5, is amended to read:

Subd. 5. **Coverage restrictions or limitations.** (a) If emergency services are provided by a nonparticipating provider, with or without prior authorization, the health plan company shall not impose coverage restrictions or limitations that are more restrictive than apply to emergency services received from a participating provider. Cost-sharing requirements that apply to emergency services received out-of-network must be the same as the cost-sharing requirements that apply to services received in-network.

(b) If emergency services are provided by a nonparticipating provider:

(1) the nonparticipating provider shall not request payment from the enrollee in addition to the applicable cost-sharing requirements authorized under paragraph (a); and

(2) the enrollee shall be held harmless and not liable for payment to the nonparticipating provider that are in addition to the applicable cost-sharing requirements under paragraph (a).

(c) A health plan company must attempt to negotiate the reimbursement, less any applicable cost sharing requirements under paragraph (a), for the emergency services from the nonparticipating provider. If a health plan company's and nonparticipating provider's attempts to negotiate reimbursement for the emergency services do not result in a resolution, the health plan company or provider may elect to refer the matter for binding arbitration. The arbitrator must be chosen from the list created under section 62Q.556, subdivision 2, paragraph (c). The arbitrator must consider the information described in section 62Q.556, subdivision 2, paragraph (d), when reaching a decision. A nondisclosure agreement must be executed by both parties prior to engaging an arbitrator in accordance with this subdivision. The cost of arbitration must be shared equally between the parties.

EFFECTIVE DATE. This section is effective January 1, 2019, and applies to emergency services provided on or after that date.

Sec. 5. **[256.0113] ELIGIBILITY VERIFICATION.**

Subdivision 1. Verification required; vendor contract. (a) The commissioner shall ensure that medical assistance, MinnesotaCare, and Supplemental Nutrition Assistance Program (SNAP) eligibility determinations through the MNsure information technology system and through other agency eligibility determination systems include the computerized verification of income, residency, identity, and when applicable, assets and compliance with SNAP work requirements.

(b) The commissioner shall contract with a vendor to verify the eligibility of all persons enrolled in medical assistance, MinnesotaCare, and SNAP during a specified audit period. This contract shall be exempt from sections 16C.08, subdivision 2, clause (1); 16C.09, paragraph (a), clause (1); 43A.047, paragraph (a), and any other law to the contrary.

(c) The contract must require the vendor to comply with enrollee data privacy requirements and to use encryption to safeguard enrollee identity. The contract must also provide penalties for vendor noncompliance.

(d) The contract must include a revenue sharing agreement, under which vendor compensation is limited to a portion of any savings to the state resulting from the vendor's implementation of eligibility verification initiatives under this section.

(e) The commissioner shall use existing resources to fund any agency administrative and technology-related costs incurred as a result of implementing this section.

(f) All state savings resulting from implementation of the vendor contract under this section, minus any payments to the vendor made under the terms of the revenue sharing agreement, shall be deposited into the health care access fund.

Subd. 2. Verification process; vendor duties. (a) The verification process implemented by the vendor must include but is not limited to data matches of the name, date of birth, address, and Social Security number of each medical assistance, MinnesotaCare, and SNAP enrollee against relevant information in federal and state data sources, including the federal data hub established under the Affordable Care Act. In designing the verification process, the vendor, to the extent feasible, shall incorporate procedures that are compatible and coordinated with, and build upon or improve, existing procedures used by the MNsure information technology system and other agency eligibility determination systems.

(b) The vendor, upon preliminary determination that an enrollee is eligible or ineligible, shall notify the commissioner. Within 20 business days of notification, the commissioner shall accept the preliminary determination or reject the preliminary determination with a stated reason. The commissioner shall retain final authority over eligibility determinations. The vendor shall keep a record of all preliminary determinations of ineligibility submitted to the commissioner.

(c) The vendor shall recommend to the commissioner an eligibility verification process that allows ongoing verification of enrollee eligibility under the MNsure information technology system and other agency eligibility determination systems.

(d) The commissioner and the vendor, following the conclusion of the initial contract period, shall jointly submit an eligibility verification audit report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance. The report shall include but is not limited to information in the form of unidentified summary data on preliminary determinations of eligibility or ineligibility

communicated by the vendor, the actions taken on those preliminary determinations by the commissioner, and the commissioner's reasons for rejecting preliminary determinations by the vendor. The report must also include the recommendations for ongoing verification of enrollee eligibility required under paragraph (c).

(e) An eligibility verification vendor contract shall be awarded for an initial one-year period, beginning January 1, 2019. The commissioner shall renew the contract for up to three additional one-year periods and require additional eligibility verification audits, if the commissioner or the legislative auditor determines that the MNsure information technology system and other agency eligibility determination systems cannot effectively verify the eligibility of medical assistance, MinnesotaCare, and SNAP enrollees.

Sec. 6. Minnesota Statutes 2016, section 256.014, subdivision 2, is amended to read:

Subd. 2. **State systems account created.** (a) A state systems account is created in the state treasury. Money collected by the commissioner of human services for the programs in subdivision 1 must be deposited in the account. Money in the state systems account and federal matching money is appropriated to the commissioner of human services for purposes of this section. Any unexpended balance in the appropriations for information systems projects for MAXIS, PRISM, MMIS, ISDS, METS, or SSIS does not cancel and is available for ongoing development and operations, subject to review by the Legislative Advisory Commission under paragraphs (b) and (c).

(b) No unexpended balance under paragraph (a) may be expended by the commissioner of human services until the commissioner of management and budget has submitted the proposed expenditure to the members of the Legislative Advisory Commission for review and recommendation. If the commission makes a positive recommendation or no recommendation, or if the commission has not reviewed the request within 20 days after the date the proposed expenditure was submitted, the commissioner of management and budget may approve the proposed expenditure. If the commission recommends further review of the proposed expenditure, the commissioner shall provide additional information to the commission. If the commission makes a negative recommendation on the proposed expenditure within ten days of receiving further information, the commissioner shall not approve the proposed expenditure. If the commission makes a positive recommendation or no recommendation within ten days of receiving further information, the commissioner may approve the proposed expenditure.

(c) A recommendation of the commission must be made at a meeting of the commission unless a written recommendation is signed by all members entitled to vote on the item as specified in section 3.30, subdivision 2. A recommendation of the commission must be made by a majority of the commission.

Sec. 7. Minnesota Statutes 2017 Supplement, section 256B.0625, subdivision 3b, is amended to read:

Subd. 3b. **Telemedicine services.** (a) Medical assistance covers medically necessary services and consultations delivered by a licensed health care provider via telemedicine in the same manner as if the service or consultation was delivered in person. Coverage is limited to three telemedicine services per enrollee per calendar week, except as provided in paragraph (f). Telemedicine services shall be paid at the full allowable rate.

(b) The commissioner shall establish criteria that a health care provider must attest to in order to demonstrate the safety or efficacy of delivering a particular service via telemedicine. The attestation may include that the health care provider:

- (1) has identified the categories or types of services the health care provider will provide via telemedicine;
- (2) has written policies and procedures specific to telemedicine services that are regularly reviewed and updated;

(3) has policies and procedures that adequately address patient safety before, during, and after the telemedicine service is rendered;

(4) has established protocols addressing how and when to discontinue telemedicine services; and

(5) has an established quality assurance process related to telemedicine services.

(c) As a condition of payment, a licensed health care provider must document each occurrence of a health service provided by telemedicine to a medical assistance enrollee. Health care service records for services provided by telemedicine must meet the requirements set forth in Minnesota Rules, part 9505.2175, subparts 1 and 2, and must document:

(1) the type of service provided by telemedicine;

(2) the time the service began and the time the service ended, including an a.m. and p.m. designation;

(3) the licensed health care provider's basis for determining that telemedicine is an appropriate and effective means for delivering the service to the enrollee;

(4) the mode of transmission of the telemedicine service and records evidencing that a particular mode of transmission was utilized;

(5) the location of the originating site and the distant site;

(6) if the claim for payment is based on a physician's telemedicine consultation with another physician, the written opinion from the consulting physician providing the telemedicine consultation; and

(7) compliance with the criteria attested to by the health care provider in accordance with paragraph (b).

(d) For purposes of this subdivision, unless otherwise covered under this chapter, "telemedicine" is defined as the delivery of health care services or consultations while the patient is at an originating site and the licensed health care provider is at a distant site. A communication between licensed health care providers, or a licensed health care provider and a patient that consists solely of a telephone conversation, e-mail, or facsimile transmission does not constitute telemedicine consultations or services. Telemedicine may be provided by means of real-time two-way, interactive audio and visual communications, including the application of secure video conferencing or store-and-forward technology to provide or support health care delivery, which facilitate the assessment, diagnosis, consultation, treatment, education, and care management of a patient's health care.

(e) For purposes of this section, "licensed health care provider" means a licensed health care provider under section 62A.671, subdivision 6, a community paramedic as defined under section 144E.001, subdivision 5f, and a mental health practitioner defined under section 245.462, subdivision 17, or 245.4871, subdivision 26, working under the general supervision of a mental health professional; "health care provider" is defined under section 62A.671, subdivision 3; and "originating site" is defined under section 62A.671, subdivision 7.

(f) The limit on coverage of three telemedicine services per enrollee per calendar week does not apply if:

(1) the telemedicine services provided by the licensed health care provider are for the treatment and control of tuberculosis; and

(2) the services are provided in a manner consistent with the recommendations and best practices specified by the Centers for Disease Control and Prevention and the commissioner of health.

Sec. 8. Minnesota Statutes 2016, section 256B.0625, is amended by adding a subdivision to read:

Subd. 17d. **Transportation services oversight.** The commissioner shall contract with a vendor or dedicate staff for oversight of providers of nonemergency medical transportation services pursuant to the commissioner's authority in section 256B.04 and Minnesota Rules, parts 9505.2160 to 9505.2245.

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 9. Minnesota Statutes 2016, section 256B.0625, is amended by adding a subdivision to read:

Subd. 17e. **Transportation provider termination.** (a) A terminated nonemergency medical transportation provider, including all named individuals on the current enrollment disclosure form and known or discovered affiliates of the nonemergency medical transportation provider, is not eligible to enroll as a nonemergency medical transportation provider for five years following the termination.

(b) After the five-year period in paragraph (a), if a provider seeks to reenroll as a nonemergency medical transportation provider, the nonemergency medical transportation provider must be placed on a one-year probation period. During a provider's probation period the commissioner shall complete unannounced site visits and request documentation to review compliance with program requirements.

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

Sec. 10. Minnesota Statutes 2016, section 256B.0625, subdivision 18d, is amended to read:

Subd. 18d. **Advisory committee members.** (a) The Nonemergency Medical Transportation Advisory Committee consists of:

(1) four voting members who represent counties, utilizing the rural urban commuting area classification system. As defined in subdivision 17, these members shall be designated as follows:

- (i) two counties within the 11-county metropolitan area;
- (ii) one county representing the rural area of the state; and
- (iii) one county representing the super rural area of the state.

The Association of Minnesota Counties shall appoint one county within the 11-county metropolitan area and one county representing the super rural area of the state. The Minnesota Inter-County Association shall appoint one county within the 11-county metropolitan area and one county representing the rural area of the state;

(2) three voting members who represent medical assistance recipients, including persons with physical and developmental disabilities, persons with mental illness, seniors, children, and low-income individuals;

(3) ~~four~~ five voting members who represent providers that deliver nonemergency medical transportation services to medical assistance enrollees, one of whom is a taxicab owner or operator;

(4) two voting members of the house of representatives, one from the majority party and one from the minority party, appointed by the speaker of the house, and two voting members from the senate, one from the majority party and one from the minority party, appointed by the Subcommittee on Committees of the Committee on Rules and Administration;

- (5) one voting member who represents demonstration providers as defined in section 256B.69, subdivision 2;
- (6) one voting member who represents an organization that contracts with state or local governments to coordinate transportation services for medical assistance enrollees;
- (7) one voting member who represents the Minnesota State Council on Disability;
- (8) the commissioner of transportation or the commissioner's designee, who shall serve as a voting member;
- (9) one voting member appointed by the Minnesota Ambulance Association; and
- (10) one voting member appointed by the Minnesota Hospital Association.

(b) Members of the advisory committee shall not be employed by the Department of Human Services. Members of the advisory committee shall receive no compensation.

Sec. 11. Minnesota Statutes 2016, section 256B.0625, subdivision 30, is amended to read:

Subd. 30. **Other clinic services.** (a) Medical assistance covers rural health clinic services, federally qualified health center services, nonprofit community health clinic services, and public health clinic services. Rural health clinic services and federally qualified health center services mean services defined in United States Code, title 42, section 1396d(a)(2)(B) and (C). Payment for rural health clinic and federally qualified health center services shall be made according to applicable federal law and regulation.

(b) A federally qualified health center that is beginning initial operation shall submit an estimate of budgeted costs and visits for the initial reporting period in the form and detail required by the commissioner. A federally qualified health center that is already in operation shall submit an initial report using actual costs and visits for the initial reporting period. Within 90 days of the end of its reporting period, a federally qualified health center shall submit, in the form and detail required by the commissioner, a report of its operations, including allowable costs actually incurred for the period and the actual number of visits for services furnished during the period, and other information required by the commissioner. Federally qualified health centers that file Medicare cost reports shall provide the commissioner with a copy of the most recent Medicare cost report filed with the Medicare program intermediary for the reporting year which support the costs claimed on their cost report to the state.

(c) In order to continue cost-based payment under the medical assistance program according to paragraphs (a) and (b), a federally qualified health center or rural health clinic must apply for designation as an essential community provider within six months of final adoption of rules by the Department of Health according to section 62Q.19, subdivision 7. For those federally qualified health centers and rural health clinics that have applied for essential community provider status within the six-month time prescribed, medical assistance payments will continue to be made according to paragraphs (a) and (b) for the first three years after application. For federally qualified health centers and rural health clinics that either do not apply within the time specified above or who have had essential community provider status for three years, medical assistance payments for health services provided by these entities shall be according to the same rates and conditions applicable to the same service provided by health care providers that are not federally qualified health centers or rural health clinics.

(d) Effective July 1, 1999, the provisions of paragraph (c) requiring a federally qualified health center or a rural health clinic to make application for an essential community provider designation in order to have cost-based payments made according to paragraphs (a) and (b) no longer apply.

(e) Effective January 1, 2000, payments made according to paragraphs (a) and (b) shall be limited to the cost phase-out schedule of the Balanced Budget Act of 1997.

(f) Effective January 1, 2001, each federally qualified health center and rural health clinic may elect to be paid either under the prospective payment system established in United States Code, title 42, section 1396a(aa), or under an alternative payment methodology consistent with the requirements of United States Code, title 42, section 1396a(aa), and approved by the Centers for Medicare and Medicaid Services. The alternative payment methodology shall be 100 percent of cost as determined according to Medicare cost principles.

(g) For purposes of this section, "nonprofit community clinic" is a clinic that:

(1) has nonprofit status as specified in chapter 317A;

(2) has tax exempt status as provided in Internal Revenue Code, section 501(c)(3);

(3) is established to provide health services to low-income population groups, uninsured, high-risk and special needs populations, underserved and other special needs populations;

(4) employs professional staff at least one-half of which are familiar with the cultural background of their clients;

(5) charges for services on a sliding fee scale designed to provide assistance to low-income clients based on current poverty income guidelines and family size; and

(6) does not restrict access or services because of a client's financial limitations or public assistance status and provides no-cost care as needed.

~~(h) Effective for services provided on or after January 1, 2015, all claims for payment of clinic services provided by federally qualified health centers and rural health clinics shall be paid by the commissioner. The commissioner shall determine the most feasible method for paying claims from the following options:~~

~~(1) federally qualified health centers and rural health clinics submit claims directly to the commissioner for payment, and the commissioner provides claims information for recipients enrolled in a managed care or county based purchasing plan to the plan, on a regular basis; or~~

~~(2) federally qualified health centers and rural health clinics submit claims for recipients enrolled in a managed care or county based purchasing plan to the plan, and those claims are submitted by the plan to the commissioner for payment to the clinic.~~

(h) Federally qualified health centers and rural health clinics shall submit claims directly to the commissioner for payment, and the commissioner shall provide claims information for recipients enrolled in a managed care plan or county-based purchasing plan to the plan on a regular basis as determined by the commissioner.

(i) For clinic services provided prior to January 1, 2015, the commissioner shall calculate and pay monthly the proposed managed care supplemental payments to clinics, and clinics shall conduct a timely review of the payment calculation data in order to finalize all supplemental payments in accordance with federal law. Any issues arising from a clinic's review must be reported to the commissioner by January 1, 2017. Upon final agreement between the commissioner and a clinic on issues identified under this subdivision, and in accordance with United States Code, title 42, section 1396a(bb), no supplemental payments for managed care plan or county-based purchasing plan claims for services provided prior to January 1, 2015, shall be made after June 30, 2017. If the commissioner and clinics are unable to resolve issues under this subdivision, the parties shall submit the dispute to the arbitration process under section 14.57.

(j) The commissioner shall seek a federal waiver, authorized under section 1115 of the Social Security Act, to obtain federal financial participation at the 100 percent federal matching percentage available to facilities of the Indian Health Service or tribal organization in accordance with section 1905(b) of the Social Security Act for expenditures made to organizations dually certified under Title V of the Indian Health Care Improvement Act, Public Law 94-437, and as a federally qualified health center under paragraph (a) that provides services to American Indian and Alaskan Native individuals eligible for services under this subdivision.

EFFECTIVE DATE. This section is effective January 1, 2019, and applies to services provided on or after that date.

Sec. 12. **[256B.0759] DIRECT CONTRACTING PILOT PROGRAM.**

Subdivision 1. Establishment. The commissioner shall establish a direct contracting pilot program to test alternative and innovative methods of delivering care through community-based collaborative care networks to medical assistance and MinnesotaCare enrollees. The pilot program shall be designed to coordinate care delivery to enrollees who demonstrate a combination of medical, economic, behavioral health, cultural, and geographic risk factors, including persons determined to be at risk of substance abuse and opioid addiction. The commissioner shall issue a request for proposals to select care networks to deliver care through the pilot program for a three-year period beginning January 1, 2020.

Subd. 2. Eligible individuals. (a) The pilot program shall serve individuals who:

(1) are eligible for medical assistance under section 256B.055 or MinnesotaCare under chapter 256L;

(2) reside in the service area of the care network;

(3) have a combination of multiple risk factors identified by the care network and approved by the commissioner;

(4) have elected to participate in the pilot project as an alternative to receiving services under fee-for-service or through a managed care or county-based purchasing plan or integrated health partnership; and

(5) agree to participate in risk mitigation strategies as provided in subdivision 4, clause (4), if the individual is determined to be at risk of opioid addiction or substance abuse.

(b) The commissioner may identify individuals who are potentially eligible to be enrolled with a care network based on zip code or other geographic designation, utilization history, or other factors indicating whether an individual resides in the service area of a care network. The commissioner shall coordinate pilot program enrollment with the enrollment and procurement process for managed care and county-based purchasing plans and integrated health partnerships.

Subd. 3. Selection of care networks. Participation in the pilot program is limited to no more than six care networks. The commissioner shall ensure that the care networks selected serve different geographic areas of the state. The commissioner shall consider the following criteria when selecting care networks to participate in the program:

(1) the ability of the care network to provide or arrange for the full range of health care services required to be provided under section 256B.69, including but not limited to primary care, inpatient hospital care, specialty care, behavioral health services, and chemical dependency and substance abuse treatment services;

(2) at least 25,000 individuals reside in the service area of the care network;

(3) the care network serves a high percentage of patients who are enrolled in Minnesota health care programs or are uninsured compared to the overall Minnesota population; and

(4) the care network can demonstrate the capacity to improve health outcomes and reduce total cost of care for the population in its service area through better patient engagement, coordination of care, and the provision of specialized services to address risk factors related to opioid addiction and substance abuse, and address nonclinical risk factors and barriers to access.

Subd. 4. Requirements for participating care networks. (a) A care network selected to participate in the pilot program must:

(1) accept a capitation rate for enrollees equal to the capitation rate that would otherwise apply to the enrollees under section 256B.69;

(2) comply with all requirements in section 256B.69 related to performance targets, capitation rate withholds, and administrative expenses;

(3) maintain adequate reserves and demonstrate the ability to bear risk, based upon criteria established by the commissioner under the request for proposals, or demonstrate to the commissioner that this requirement has been met through a contract with a health plan company, third-party administrator, stop-loss insurer, or other entity; and

(4) assess all enrollees for risk factors related to opioid addiction and substance abuse and, based upon the professional judgment of the health care provider, require enrollees determined to be at risk to enter into a patient provider agreement, submit to urine drug screening, and participate in other risk mitigation strategies; and

(5) participate in quality of care and financial reporting initiatives, in the form and manner specified by the commissioner.

(b) An existing integrated health partnership that meets the criteria in this section is eligible to participate in the pilot program while continuing as an integrated health partnership.

Subd. 5. Requirements for the commissioner. (a) The commissioner shall provide all participating care networks with enrollee utilization and cost information similar to that provided by the commissioner to integrated health partnerships.

(b) The commissioner, in consultation with the commissioner of health and care networks, shall design and administer the pilot program in a manner that allows the testing of new care coordination models and quality-of-care measures to determine the extent to which the care delivered by the pilot program, relative to the care delivered under fee-for-service and by managed care and county-based purchasing plans and integrated health partnerships:

(1) improves outcomes and reduces the total cost of care for the population served; and

(2) reduces administrative burdens and costs for health care providers and state agencies.

(c) The commissioner, based on the analysis under paragraph (b), shall evaluate the pilot program and present recommendations as to whether the pilot program should be continued or expanded to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance by February 15, 2022.

Sec. 13. Minnesota Statutes 2016, section 256B.69, subdivision 5a, is amended to read:

Subd. 5a. **Managed care contracts.** (a) Managed care contracts under this section and section 256L.12 shall be entered into or renewed on a calendar year basis. The commissioner may issue separate contracts with requirements specific to services to medical assistance recipients age 65 and older.

(b) A prepaid health plan providing covered health services for eligible persons pursuant to chapters 256B and 256L is responsible for complying with the terms of its contract with the commissioner. Requirements applicable to managed care programs under chapters 256B and 256L established after the effective date of a contract with the commissioner take effect when the contract is next issued or renewed.

(c) The commissioner shall withhold five percent of managed care plan payments under this section and county-based purchasing plan payments under section 256B.692 for the prepaid medical assistance program pending completion of performance targets. Each performance target must be quantifiable, objective, measurable, and reasonably attainable, except in the case of a performance target based on a federal or state law or rule. Criteria for assessment of each performance target must be outlined in writing prior to the contract effective date. Clinical or utilization performance targets and their related criteria must consider evidence-based research and reasonable interventions when available or applicable to the populations served, and must be developed with input from external clinical experts and stakeholders, including managed care plans, county-based purchasing plans, and providers. The managed care or county-based purchasing plan must demonstrate, to the commissioner's satisfaction, that the data submitted regarding attainment of the performance target is accurate. The commissioner shall periodically change the administrative measures used as performance targets in order to improve plan performance across a broader range of administrative services. The performance targets must include measurement of plan efforts to contain spending on health care services and administrative activities. The commissioner may adopt plan-specific performance targets that take into account factors affecting only one plan, including characteristics of the plan's enrollee population. The withheld funds must be returned no sooner than July of the following year if performance targets in the contract are achieved. The commissioner may exclude special demonstration projects under subdivision 23.

(d) The commissioner shall require that managed care plans use the assessment and authorization processes, forms, timelines, standards, documentation, and data reporting requirements, protocols, billing processes, and policies consistent with medical assistance fee-for-service or the Department of Human Services contract requirements consistent with medical assistance fee-for-service or the Department of Human Services contract requirements for all personal care assistance services under section 256B.0659.

(e) Effective for services rendered on or after January 1, 2012, the commissioner shall include as part of the performance targets described in paragraph (c) a reduction in the health plan's emergency department utilization rate for medical assistance and MinnesotaCare enrollees, as determined by the commissioner. For 2012, the reduction shall be based on the health plan's utilization in 2009. To earn the return of the withhold each subsequent year, the managed care plan or county-based purchasing plan must achieve a qualifying reduction of no less than ten percent of the plan's emergency department utilization rate for medical assistance and MinnesotaCare enrollees, excluding enrollees in programs described in subdivisions 23 and 28, compared to the previous measurement year until the final performance target is reached. When measuring performance, the commissioner must consider the difference in health risk in a managed care or county-based purchasing plan's membership in the baseline year compared to the measurement year, and work with the managed care or county-based purchasing plan to account for differences that they agree are significant.

The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year if the managed care plan or county-based purchasing plan demonstrates to the satisfaction of the commissioner that a reduction in the utilization rate was achieved. The commissioner shall structure the withhold so that the commissioner returns a portion of the withheld funds in amounts commensurate with achieved reductions in utilization less than the targeted amount.

The withhold described in this paragraph shall continue for each consecutive contract period until the plan's emergency room utilization rate for state health care program enrollees is reduced by 25 percent of the plan's emergency room utilization rate for medical assistance and MinnesotaCare enrollees for calendar year 2009. Hospitals shall cooperate with the health plans in meeting this performance target and shall accept payment withholds that may be returned to the hospitals if the performance target is achieved.

(f) Effective for services rendered on or after January 1, 2012, the commissioner shall include as part of the performance targets described in paragraph (c) a reduction in the plan's hospitalization admission rate for medical assistance and MinnesotaCare enrollees, as determined by the commissioner. To earn the return of the withhold each year, the managed care plan or county-based purchasing plan must achieve a qualifying reduction of no less than five percent of the plan's hospital admission rate for medical assistance and MinnesotaCare enrollees, excluding enrollees in programs described in subdivisions 23 and 28, compared to the previous calendar year until the final performance target is reached. When measuring performance, the commissioner must consider the difference in health risk in a managed care or county-based purchasing plan's membership in the baseline year compared to the measurement year, and work with the managed care or county-based purchasing plan to account for differences that they agree are significant.

The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year if the managed care plan or county-based purchasing plan demonstrates to the satisfaction of the commissioner that this reduction in the hospitalization rate was achieved. The commissioner shall structure the withhold so that the commissioner returns a portion of the withheld funds in amounts commensurate with achieved reductions in utilization less than the targeted amount.

The withhold described in this paragraph shall continue until there is a 25 percent reduction in the hospital admission rate compared to the hospital admission rates in calendar year 2011, as determined by the commissioner. The hospital admissions in this performance target do not include the admissions applicable to the subsequent hospital admission performance target under paragraph (g). Hospitals shall cooperate with the plans in meeting this performance target and shall accept payment withholds that may be returned to the hospitals if the performance target is achieved.

(g) Effective for services rendered on or after January 1, 2012, the commissioner shall include as part of the performance targets described in paragraph (c) a reduction in the plan's hospitalization admission rates for subsequent hospitalizations within 30 days of a previous hospitalization of a patient regardless of the reason, for medical assistance and MinnesotaCare enrollees, as determined by the commissioner. To earn the return of the withhold each year, the managed care plan or county-based purchasing plan must achieve a qualifying reduction of the subsequent hospitalization rate for medical assistance and MinnesotaCare enrollees, excluding enrollees in programs described in subdivisions 23 and 28, of no less than five percent compared to the previous calendar year until the final performance target is reached.

The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year if the managed care plan or county-based purchasing plan demonstrates to the satisfaction of the commissioner that a qualifying reduction in the subsequent hospitalization rate was achieved. The commissioner shall structure the withhold so that the commissioner returns a portion of the withheld funds in amounts commensurate with achieved reductions in utilization less than the targeted amount.

The withhold described in this paragraph must continue for each consecutive contract period until the plan's subsequent hospitalization rate for medical assistance and MinnesotaCare enrollees, excluding enrollees in programs described in subdivisions 23 and 28, is reduced by 25 percent of the plan's subsequent hospitalization rate for calendar year 2011. Hospitals shall cooperate with the plans in meeting this performance target and shall accept payment withholds that must be returned to the hospitals if the performance target is achieved.

(h) Effective for services rendered on or after January 1, 2013, through December 31, 2013, the commissioner shall withhold 4.5 percent of managed care plan payments under this section and county-based purchasing plan payments under section 256B.692 for the prepaid medical assistance program. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following year. The commissioner may exclude special demonstration projects under subdivision 23.

(i) Effective for services rendered on or after January 1, 2014, the commissioner shall withhold three percent of managed care plan payments under this section and county-based purchasing plan payments under section 256B.692 for the prepaid medical assistance program. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following year. The commissioner may exclude special demonstration projects under subdivision 23.

(j) A managed care plan or a county-based purchasing plan under section 256B.692 may include as admitted assets under section 62D.044 any amount withheld under this section that is reasonably expected to be returned.

(k) Contracts between the commissioner and a prepaid health plan are exempt from the set-aside and preference provisions of section 16C.16, subdivisions 6, paragraph (a), and 7.

(l) The return of the withhold under paragraphs (h) and (i) is not subject to the requirements of paragraph (c).

(m) Managed care plans and county-based purchasing plans shall maintain current and fully executed agreements for all subcontractors, including bargaining groups, for administrative services that are expensed to the state's public health care programs. Subcontractor agreements determined to be material, as defined by the commissioner after taking into account state contracting and relevant statutory requirements, must be in the form of a written instrument or electronic document containing the elements of offer, acceptance, consideration, payment terms, scope, duration of the contract, and how the subcontractor services relate to state public health care programs. Upon request, the commissioner shall have access to all subcontractor documentation under this paragraph. Nothing in this paragraph shall allow release of information that is nonpublic data pursuant to section 13.02.

(n) Effective for services provided on or after January 1, 2019, through December 31, 2019, the commissioner shall withhold two percent of the capitation payment provided to managed care plans under this section, and county-based purchasing plans under section 256B.692, for each medical assistance enrollee. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following year, for capitation payments for enrollees for whom the plan has submitted to the commissioner a verification of coverage form completed and signed by the enrollee. The verification of coverage form must be developed by the commissioner and made available to managed care and county-based purchasing plans. The form must require the enrollee to provide the enrollee's name and street address and the name of the managed care or county-based purchasing plan selected by or assigned to the enrollee and must include a signature block that allows the enrollee to attest that the information provided is accurate. A plan shall request that all enrollees complete the verification of coverage form and shall submit all completed forms to the commissioner by February 28, 2019. If a completed form for an enrollee is not received by the commissioner by that date:

(1) the commissioner shall not return to the plan funds withheld for that enrollee;

(2) the commissioner shall cease making capitation payments to the plan for that enrollee, effective with the April 2019 coverage month; and

(3) the commissioner shall disenroll the enrollee from medical assistance, subject to any enrollee appeal.

(o) The commissioner may establish and administer a single preferred drug list for medical assistance and MinnesotaCare enrollees receiving services through fee-for-service, integrated health partnerships, managed care, or county-based purchasing, only if the commissioner first studies this change and then obtains legislative approval in the form of enacted legislation authorizing the change. In conducting the study, the commissioner shall consult with interested and affected stakeholders including but not limited to managed care organizations, county-based purchasers, integrated health partnerships, health care providers, and enrollees. The commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance on the anticipated impact of the proposed change on: the state budget, access to services, quality of both outcomes and enrollee experience, and administrative efficiency. The report must also include an assessment of possible unintended consequences of the use of a single preferred drug list.

Sec. 14. **ENCOUNTER REPORTING OF 340B ELIGIBLE DRUGS.**

(a) The commissioner of human services, in consultation with federally qualified health centers, managed care organizations, and contract pharmacies, shall develop recommendations for a process to identify and report at point of sale the 340B drugs that are dispensed to enrollees of managed care organizations who are patients of a federally qualified health center, and to exclude these claims from the Medicaid Drug Rebate Program and ensure that duplicate discounts for drugs do not occur. In developing this process, the commissioner shall assess the impact of allowing federally qualified health centers to utilize the 340B Drug Pricing Program drug discounts if a federally qualified health center utilizes a contract pharmacy for a patient enrolled in the prepaid medical assistance program.

(b) By March 1, 2019, the commissioner shall report the recommendations to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over medical assistance.

Sec. 15. **RECONCILIATION OF MINNESOTACARE PREMIUMS.**

Subdivision 1. **Reconciliation required.** (a) The commissioner of human services shall reconcile all MinnesotaCare premiums paid or due for health coverage provided during the period January 1, 2014, through December 31, 2017, by July 1, 2018. Based on this reconciliation, the commissioner shall notify each MinnesotaCare enrollee or former enrollee of any amount owed as premiums, refund to the enrollee or former enrollee any premium overpayment, and enter into a payment arrangement with the enrollee or former enrollee as necessary.

(b) The commissioner of human services is prohibited from using agency staff and resources to plan, develop, or promote any proposal that would offer a health insurance product on the individual market that would offer consumers similar benefits and networks as the standard MinnesotaCare program, until the commissioner of management and budget has determined under subdivision 2 that the commissioner is in compliance with the requirements of this section.

Subd. 2. **Determination of compliance; contingent transfer.** The commissioner of management and budget shall determine whether the commissioner of human services has complied with the requirements of subdivision 1. If the commissioner of management and budget determines that the commissioner of human services is not in compliance with subdivision 1, the commissioner of management and budget shall transfer \$10,000 from the central office operations account of the Department of Human Services to the premium security plan account established under Minnesota Statutes, section 62E.25, for each business day of noncompliance.

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

Sec. 16. **CONTRACT TO RECOVER THIRD-PARTY LIABILITY.**

The commissioner shall contract with a vendor to implement a third-party liability recovery program for medical assistance and MinnesotaCare. Under the terms of the contract, the vendor shall be reimbursed using a percentage of the money recovered through the third-party liability recovery program. All money recovered that remains after reimbursement of the vendor is available for operation of the medical assistance and MinnesotaCare programs. The use of this money must be authorized in law by the legislature.

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 17. **STUDY AND REPORT ON DISPARITIES BETWEEN GEOGRAPHIC RATING AREAS IN INDIVIDUAL AND SMALL GROUP MARKET HEALTH INSURANCE RATES.**

Subdivision 1. **Study and recommendations.** (a) As permitted by the availability of resources, the legislative auditor is requested to study disparities between Minnesota's nine geographic rating areas in individual and small group market health insurance rates and recommend ways to reduce or eliminate rate disparities between the geographic rating areas and provide for stability of the individual and small group health insurance markets in the state. In the study, if conducted, the legislative auditor shall:

(1) identify the factors that cause higher individual and small group market health insurance rates in certain geographic rating areas, and determine the extent to which each identified factor contributes to the higher rates;

(2) identify the impact of referral centers on individual and small group market health insurance rates in southeastern Minnesota, and identify ways to reduce the rate disparity between southeastern Minnesota and the metropolitan area, taking into consideration the patterns of referral center usage by patients in those regions;

(3) determine the extent to which individuals and small employers located in a geographic rating area with higher health insurance rates than surrounding geographic rating areas have obtained health insurance in a lower-cost geographic rating area, identify the strategies that individuals and small employers use to obtain health insurance in a lower-cost geographic rating area, and measure the effects of this practice on the rates of the individuals and small employers remaining in the geographic rating area with higher health insurance rates; and

(4) develop proposals to redraw the boundaries of Minnesota's geographic rating areas, and calculate the effect each proposal would have on rates in each of the proposed rating areas. The legislative auditor shall examine at least three options for redrawing the boundaries of Minnesota's geographic rating areas, at least one of which must reduce the number of geographic rating areas. All options for redrawing Minnesota's geographic rating areas considered by the legislative auditor must be designed:

(i) with the purposes of reducing or eliminating rate disparities between geographic rating areas and providing for stability of the individual and small group health insurance markets in the state;

(ii) with consideration of the composition of existing provider networks and referral patterns in regions of the state; and

(iii) in compliance with the requirements for geographic rating areas in Code of Federal Regulations, title 45, section 147.102(b), and other applicable federal law and guidance.

(b) Health carriers that cover Minnesota residents, health systems that provide care to Minnesota residents, and the commissioner of health shall cooperate with any requests for information from the legislative auditor that the legislative auditor determines is necessary to conduct the study.

(c) The legislative auditor may recommend one or more proposals for redrawing Minnesota's geographic rating areas if the legislative auditor determines that the proposal would reduce or eliminate individual and small group market health insurance rate disparities between the geographic rating areas and provide for stability of the individual and small group health insurance markets in the state.

Subd. 2. **Contract.** The legislative auditor may contract with another entity for technical assistance in conducting the study and developing recommendations according to subdivision 1.

Subd. 3. **Report.** The legislative auditor is requested to complete the study and recommendations by January 1, 2019, and to submit a report on the study and recommendations by that date to the chairs and ranking minority members of the legislative committees with jurisdiction over health care and health insurance.

Sec. 18. TESTIMONY ON USE OF DIGITAL BREAST TOMOSYNTHESIS BY MEMBERS OF THE STATE EMPLOYEE GROUP INSURANCE PROGRAM.

The director of the state employee group insurance program must prepare and submit written testimony to the house of representatives and senate committees with jurisdiction over health and human services and state government finance regarding the impact of Minnesota Statutes, section 62A.30, subdivision 4. The director must provide data on actual utilization of the coverage under Minnesota Statutes, section 62A.30, subdivision 4 by members of the state employee group insurance program from January 1, 2019, to June 30, 2019. The director may make recommendations for legislation addressing any issues relating to the coverage required by Minnesota Statutes, section 62A.30, subdivision 4. The testimony required under this section is due by December 31, 2019.

Sec. 19. MENTAL HEALTH AND SUBSTANCE USE DISORDER PARITY WORK GROUP.

Subdivision 1. **Establishment; membership.** (a) A mental health and substance use disorder parity work group is established and shall include the following members:

(1) two members representing health plan companies that offer health plans in the individual market, appointed by the commissioner of commerce;

(2) two members representing health plan companies that offer health plans in the group markets, appointed by the commissioner of commerce;

(3) the commissioner of health or a designee;

(4) the commissioner of commerce or a designee;

(5) the commissioner of management and budget or a designee;

(6) two members representing employers, appointed by the commissioner of commerce;

(7) two members who are providers representing the mental health and substance use disorder community, appointed by the commissioner of commerce; and

(8) two members who are advocates representing the mental health and substance use disorder community, appointed by the commissioner of commerce.

(b) Members of the work group must have expertise in standards for evidence-based care, benefit design, or knowledge relating to the analysis of mental health and substance use disorder parity under federal and state law, including nonquantitative treatment limitations.

Subd. 2. **First appointments; first meeting; chair.** Appointing authorities shall appoint members to the work group by July 1, 2018. The commissioner of commerce or a designee shall convene the first meeting of the work group on or before August 1, 2018. The commissioner of commerce or the commissioner's designee shall act as chair.

Subd. 3. **Duties.** The mental health and substance use disorder parity work group shall:

(1) develop recommendations on the most effective approach to determine and demonstrate mental health and substance use disorder parity, in accordance with state and federal law for individual and group health plans offered in Minnesota; and

(2) report recommendations to the legislature.

Subd. 4. **Report.** (a) By February 15, 2019, the work group shall submit a report with recommendations to the chairs and ranking minority members of the legislative committees with jurisdiction over health care policy and finance.

(b) The report must include the following:

(1) a summary of completed state enforcement actions relating to individual and group health plans offered in Minnesota during the preceding 12-month period regarding compliance with parity in mental health and substance use disorders benefits in accordance with state and federal law and a summary of the results of completed state enforcement actions. Data that is protected under state or federal law as nonpublic, private, or confidential shall remain nonpublic, private, or confidential. This summary must include:

(i) the number of formal enforcement actions taken;

(ii) the benefit classifications examined in each enforcement action; and

(iii) the subject matter of each enforcement action, including quantitative and nonquantitative treatment limitations;

(2) detailed information about any regulatory actions the commissioner of health or commissioner of commerce has taken as a result of a completed state enforcement action pertaining to health plan compliance with Minnesota Statutes, sections 62Q.47 and 62Q.53, and United States Code, title 42, section 18031(j);

(3) a description of the work group's recommendations on educating the public about alcoholism, mental health, or chemical dependency parity protections under state and federal law; and

(4) recommendations on the most effective approach to determine and demonstrate mental health and substance use disorder parity, in accordance with state and federal law for individual and group health plans offered in Minnesota.

(c) In developing the report and recommendations, the work group may consult with the Substance Abuse and Mental Health Services Agency and the National Association of Insurance Commissioners for the latest developments on evaluation of mental health and substance use disorder parity.

(d) The report must be written in plain language and must be made available to the public by being posted on the Web sites of the Department of Health and Department of Commerce. The work group may make the report publicly available in additional ways, at its discretion.

(e) The report must include any draft legislation necessary to implement the recommendations of the work group.

Subd. 5. **Expiration.** The mental health and substance use disorder parity work group expires February 16, 2019, or the day after submitting the report required in this section, whichever is earlier.

Sec. 20. **REPEALER.**

Minnesota Statutes 2016, section 62A.65, subdivision 7a, is repealed.

ARTICLE 3
CHEMICAL AND MENTAL HEALTH

Section 1. Minnesota Statutes 2016, section 13.851, is amended by adding a subdivision to read:

Subd. 11. **Mental health screening.** The treatment of data collected by a sheriff or local corrections agency related to individuals who may have a mental illness is governed by section 641.15, subdivision 3a.

Sec. 2. Minnesota Statutes 2016, section 245A.04, subdivision 7, is amended to read:

Subd. 7. **Grant of license; license extension.** (a) If the commissioner determines that the program complies with all applicable rules and laws, the commissioner shall issue a license consistent with this section or, if applicable, a temporary change of ownership license under section 245A.043. At minimum, the license shall state:

- (1) the name of the license holder;
- (2) the address of the program;
- (3) the effective date and expiration date of the license;
- (4) the type of license;
- (5) the maximum number and ages of persons that may receive services from the program; and
- (6) any special conditions of licensure.

(b) The commissioner may issue ~~an initial~~ a license for a period not to exceed two years if:

(1) the commissioner is unable to conduct the evaluation or observation required by subdivision 4, paragraph (a), clauses (3) and (4), because the program is not yet operational;

(2) certain records and documents are not available because persons are not yet receiving services from the program; and

(3) the applicant complies with applicable laws and rules in all other respects.

(c) A decision by the commissioner to issue a license does not guarantee that any person or persons will be placed or cared for in the licensed program. ~~A license shall not be transferable to another individual, corporation, partnership, voluntary association, other organization, or controlling individual or to another location.~~

~~(d)~~ A license holder must notify the commissioner and obtain the commissioner's approval before making any changes that would alter the license information listed under paragraph (a).

~~(e)~~ ~~(d)~~ Except as provided in paragraphs ~~(e)~~ ~~(f)~~ and ~~(h)~~ ~~(g)~~, the commissioner shall not issue or reissue a license if the applicant, license holder, or controlling individual has:

(1) been disqualified and the disqualification was not set aside and no variance has been granted;

(2) been denied a license within the past two years;

(3) had a license issued under this chapter revoked within the past five years;

(4) an outstanding debt related to a license fee, licensing fine, or settlement agreement for which payment is delinquent; or

(5) failed to submit the information required of an applicant under subdivision 1, paragraph (f) or (g), after being requested by the commissioner.

When a license issued under this chapter is revoked under clause (1) or (3), the license holder and controlling individual may not hold any license under chapter 245A or 245D for five years following the revocation, and other licenses held by the applicant, license holder, or controlling individual shall also be revoked.

~~(f)~~ ~~(e)~~ The commissioner shall not issue or reissue a license under this chapter if an individual living in the household where the licensed services will be provided as specified under section 245C.03, subdivision 1, has been disqualified and the disqualification has not been set aside and no variance has been granted.

~~(g)~~ ~~(f)~~ Pursuant to section 245A.07, subdivision 1, paragraph (b), when a license issued under this chapter has been suspended or revoked and the suspension or revocation is under appeal, the program may continue to operate pending a final order from the commissioner. If the license under suspension or revocation will expire before a final order is issued, a temporary provisional license may be issued provided any applicable license fee is paid before the temporary provisional license is issued.

~~(h)~~ ~~(g)~~ Notwithstanding paragraph ~~(e)~~ ~~(f)~~, when a revocation is based on the disqualification of a controlling individual or license holder, and the controlling individual or license holder is ordered under section 245C.17 to be immediately removed from direct contact with persons receiving services or is ordered to be under continuous, direct supervision when providing direct contact services, the program may continue to operate only if the program complies with the order and submits documentation demonstrating compliance with the order. If the disqualified individual fails to submit a timely request for reconsideration, or if the disqualification is not set aside and no variance is granted, the order to immediately remove the individual from direct contact or to be under continuous, direct supervision remains in effect pending the outcome of a hearing and final order from the commissioner.

~~(i)~~ ~~(h)~~ For purposes of reimbursement for meals only, under the Child and Adult Care Food Program, Code of Federal Regulations, title 7, subtitle B, chapter II, subchapter A, part 226, relocation within the same county by a licensed family day care provider, shall be considered an extension of the license for a period of no more than 30 calendar days or until the new license is issued, whichever occurs first, provided the county agency has determined the family day care provider meets licensure requirements at the new location.

~~(j)~~ ~~(i)~~ Unless otherwise specified by statute, all licenses issued under this chapter expire at 12:01 a.m. on the day after the expiration date stated on the license. A license holder must apply for and be granted a new license to operate the program or the program must not be operated after the expiration date.

~~(k)~~ (j) The commissioner shall not issue or reissue a license under this chapter if it has been determined that a tribal licensing authority has established jurisdiction to license the program or service.

Sec. 3. Minnesota Statutes 2016, section 245A.04, is amended by adding a subdivision to read:

Subd. 7a. **Notification required.** (a) A license holder must notify the commissioner and obtain the commissioner's approval before making any change that would alter the license information listed under subdivision 7, paragraph (a).

(b) At least 30 days before the effective date of a change, the license holder must notify the commissioner in writing of any change:

(1) to the license holder's controlling individual as defined in section 245A.02, subdivision 5a;

(2) to license holder information on file with the secretary of state;

(3) in the location of the program or service licensed under this chapter; and

(4) in the federal or state tax identification number associated with the license holder.

(c) When a license holder notifies the commissioner of a change to the business structure governing the licensed program or services but is not selling the business, the license holder must provide amended articles of incorporation and other documentation of the change and any other information requested by the commissioner.

EFFECTIVE DATE. This section is effective August 1, 2018.

Sec. 4. **[245A.043] LICENSE APPLICATION AFTER CHANGE OF OWNERSHIP.**

Subdivision 1. **Transfer prohibited.** A license issued under this chapter is only valid for a premises and individual, organization, or government entity identified by the commissioner on the license. A license is not transferable or assignable.

Subd. 2. **Change of ownership.** If the commissioner determines that there will be a change of ownership, the commissioner shall require submission of a new license application. A change of ownership occurs when:

(1) the license holder sells or transfers 100 percent of the property, stock, or assets;

(2) the license holder merges with another organization;

(3) the license holder consolidates with two or more organizations, resulting in the creation of a new organization;

(4) there is a change in the federal tax identification number associated with the license holder; or

(5) there is a turnover of each controlling individual associated with the license within a 12-month period. A change to the license holder's controlling individuals, including a change due to a transfer of stock, is not a change of ownership if at least one controlling individual who was listed on the license for at least 12 consecutive months continues to be a controlling individual after the reported change.

Subd. 3. **Change of ownership requirements.** (a) A license holder who intends to change the ownership of the program or service under subdivision 2 to a party that intends to assume operation without an interruption in service longer than 60 days after acquiring the program or service must provide the commissioner with written notice of the proposed sale or change, on a form provided by the commissioner, at least 60 days before the anticipated date of the change in ownership. For purposes of this subdivision and subdivision 4, "party" means the party that intends to operate the service or program.

(b) The party must submit a license application under this chapter on a form and in the manner prescribed by the commissioner at least 30 days before the change of ownership is complete and must include documentation to support the upcoming change. The form and manner of the application prescribed by the commissioner shall require only information which is specifically required by statute or rule. The party must comply with background study requirements under chapter 245C and shall pay the application fee required in section 245A.10. A party that intends to assume operation without an interruption in service longer than 60 days after acquiring the program or service is exempt from the requirements of Minnesota Rules, part 9530.6800.

(c) The commissioner may develop streamlined application procedures when the party is an existing license holder under this chapter and is acquiring a program licensed under this chapter or service in the same service class as one or more licensed programs or services the party operates and those licenses are in substantial compliance according to the licensing standards in this chapter and applicable rules. For purposes of this subdivision, "substantial compliance" means within the past 12 months the commissioner did not: (i) issue a sanction under section 245A.07 against a license held by the party or (ii) make a license held by the party conditional according to section 245A.06.

(d) Except when a temporary change of ownership license is issued pursuant to subdivision 4, the existing license holder is solely responsible for operating the program according to applicable rules and statutes until a license under this chapter is issued to the party.

(e) If a licensing inspection of the program or service was conducted within the previous 12 months and the existing license holder's license record demonstrates substantial compliance with the applicable licensing requirements, the commissioner may waive the party's inspection required by section 245A.04, subdivision 4. The party must submit to the commissioner proof that the premises was inspected by a fire marshal or that the fire marshal deemed that an inspection was not warranted and proof that the premises was inspected for compliance with the building code or that no inspection was deemed warranted.

(f) If the party is seeking a license for a program or service that has an outstanding correction order, the party must submit a letter with the license application identifying how and within what length of time the party shall resolve the outstanding correction order and come into full compliance with the licensing requirements.

(g) Any action taken under section 245A.06 or 245A.07 against the existing license holder's license at the time the party is applying for a license, including when the existing license holder is operating under a conditional license or is subject to a revocation, shall remain in effect until the commissioner determines that the grounds for the action are corrected or no longer exist.

(h) The commissioner shall evaluate the application of the party according to section 245A.04, subdivision 6. Pursuant to section 245A.04, subdivision 7, if the commissioner determines that the party complies with applicable laws and rules, the commissioner may issue a license or a temporary change of ownership license.

(i) The commissioner may deny an application as provided in section 245A.05. An applicant whose application was denied by the commissioner may appeal the denial according to section 245A.05.

(j) This subdivision does not apply to a licensed program or service located in a home where the license holder resides.

Subd. 4. **Temporary change of ownership license.** (a) After receiving the party's application and upon the written request of the existing license holder and the party, the commissioner may issue a temporary change of ownership license to the party while the commissioner evaluates the party's application. Until a decision is made to grant or deny a license under this chapter, the existing license holder and the party shall both be responsible for operating the program or service according to applicable laws and rules, and the sale or transfer of the license holder's ownership interest in the licensed program or service does not terminate the existing license.

(b) The commissioner may establish criteria to issue a temporary change of ownership license, if a license holder's death, divorce, or other event affects the ownership of the program, when an applicant seeks to assume operation of the program or service to ensure continuity of the program or service while a license application is evaluated. This subdivision applies to any program or service licensed under this chapter.

EFFECTIVE DATE. This section is effective August 1, 2018.

Sec. 5. Minnesota Statutes 2016, section 245C.22, subdivision 4, is amended to read:

Subd. 4. **Risk of harm; set aside.** (a) The commissioner may set aside the disqualification if the commissioner finds that the individual has submitted sufficient information to demonstrate that the individual does not pose a risk of harm to any person served by the applicant, license holder, or other entities as provided in this chapter.

(b) In determining whether the individual has met the burden of proof by demonstrating the individual does not pose a risk of harm, the commissioner shall consider:

(1) the nature, severity, and consequences of the event or events that led to the disqualification;

(2) whether there is more than one disqualifying event;

(3) the age and vulnerability of the victim at the time of the event;

(4) the harm suffered by the victim;

(5) vulnerability of persons served by the program;

(6) the similarity between the victim and persons served by the program;

(7) the time elapsed without a repeat of the same or similar event;

(8) documentation of successful completion by the individual studied of training or rehabilitation pertinent to the event; and

(9) any other information relevant to reconsideration.

(c) If the individual requested reconsideration on the basis that the information relied upon to disqualify the individual was incorrect or inaccurate and the commissioner determines that the information relied upon to disqualify the individual is correct, the commissioner must also determine if the individual poses a risk of harm to persons receiving services in accordance with paragraph (b).

(d) For an individual in the chemical dependency field, the commissioner must set aside the disqualification if the following criteria are met:

(1) the individual submits sufficient documentation to demonstrate that the individual is a nonviolent controlled substance offender under section 244.0513, subdivision 2, clauses (1), (2), and (6);

(2) the individual is disqualified exclusively for one or more offenses listed under section 152.021, subdivision 2 or 2a; 152.022, subdivision 2; 152.023, subdivision 2; 152.024; or 152.025;

(3) the individual provided documentation of successful completion of treatment, at least one year prior to the date of the request for reconsideration, at a program licensed under chapter 245G;

(4) the individual provided documentation demonstrating abstinence from controlled substances, as defined in section 152.01, subdivision 4, for the period one year prior to the date of the request for reconsideration; and

(5) the individual is seeking employment in the chemical dependency field.

Sec. 6. Minnesota Statutes 2017 Supplement, section 245C.22, subdivision 5, is amended to read:

Subd. 5. **Scope of set-aside.** (a) If the commissioner sets aside a disqualification under this section, the disqualified individual remains disqualified, but may hold a license and have direct contact with or access to persons receiving services. Except as provided in paragraph (b), the commissioner's set-aside of a disqualification is limited solely to the licensed program, applicant, or agency specified in the set aside notice under section 245C.23. For personal care provider organizations, the commissioner's set-aside may further be limited to a specific individual who is receiving services. For new background studies required under section 245C.04, subdivision 1, paragraph (h), if an individual's disqualification was previously set aside for the license holder's program and the new background study results in no new information that indicates the individual may pose a risk of harm to persons receiving services from the license holder, the previous set-aside shall remain in effect.

(b) If the commissioner has previously set aside an individual's disqualification for one or more programs or agencies, and the individual is the subject of a subsequent background study for a different program or agency, the commissioner shall determine whether the disqualification is set aside for the program or agency that initiated the subsequent background study. A notice of a set-aside under paragraph (c) shall be issued within 15 working days if all of the following criteria are met:

(1) the subsequent background study was initiated in connection with a program licensed or regulated under the same provisions of law and rule for at least one program for which the individual's disqualification was previously set aside by the commissioner;

(2) the individual is not disqualified for an offense specified in section 245C.15, subdivision 1 ~~or~~ 2;

(3) the individual is not disqualified for an offense specified in section 245C.15, subdivision 2, unless the individual is employed in the chemical dependency field;

(4) the commissioner has received no new information to indicate that the individual may pose a risk of harm to any person served by the program; and

(4) (5) the previous set-aside was not limited to a specific person receiving services.

(c) When a disqualification is set aside under paragraph (b), the notice of background study results issued under section 245C.17, in addition to the requirements under section 245C.17, shall state that the disqualification is set aside for the program or agency that initiated the subsequent background study. The notice must inform the individual that the individual may request reconsideration of the disqualification under section 245C.21 on the basis that the information used to disqualify the individual is incorrect.

Sec. 7. Minnesota Statutes 2017 Supplement, section 245G.03, subdivision 1, is amended to read:

Subdivision 1. **License requirements.** (a) An applicant for a license to provide substance use disorder treatment must comply with the general requirements in chapters 245A and 245C, sections 626.556 and 626.557, and Minnesota Rules, chapter 9544.

(b) The assessment of need process under Minnesota Rules, parts 9530.6800 and 9530.6810, is not applicable to programs licensed under this chapter. However, the commissioner may deny issuance of a license to an applicant if the commissioner determines that the services currently available in the local area are sufficient to meet local need and the addition of new services would be detrimental to individuals seeking these services.

(c) The commissioner may grant variances to the requirements in this chapter that do not affect the client's health or safety if the conditions in section 245A.04, subdivision 9, are met.

Sec. 8. Minnesota Statutes 2017 Supplement, section 254A.03, subdivision 3, is amended to read:

Subd. 3. **Rules for substance use disorder care.** (a) The commissioner of human services shall establish by rule criteria to be used in determining the appropriate level of chemical dependency care for each recipient of public assistance seeking treatment for substance misuse or substance use disorder. Upon federal approval of a comprehensive assessment as a Medicaid benefit, or on July 1, 2018, whichever is later, and notwithstanding the criteria in Minnesota Rules, parts 9530.6600 to 9530.6655, an eligible vendor of comprehensive assessments under section 254B.05 may determine and approve the appropriate level of substance use disorder treatment for a recipient of public assistance. The process for determining an individual's financial eligibility for the consolidated chemical dependency treatment fund or determining an individual's enrollment in or eligibility for a publicly subsidized health plan is not affected by the individual's choice to access a comprehensive assessment for placement.

(b) The commissioner shall develop and implement a utilization review process for publicly funded treatment placements to monitor and review the clinical appropriateness and timeliness of all publicly funded placements in treatment.

(c) A structured assessment for alcohol or substance use disorder that is provided to a recipient of public assistance by a primary care clinic, hospital, or other medical setting establishes medical necessity and approval for an initial set of substance use disorder services identified in section 254B.05, subdivision 5, when the screen result is positive for alcohol or substance misuse. The initial set of services approved for a recipient whose screen result is positive shall include four hours of individual or group substance use disorder treatment, two hours of substance use disorder care coordination, and two hours of substance use disorder peer support services. A recipient must obtain an assessment pursuant to paragraph (a) to be approved for additional treatment services.

EFFECTIVE DATE. This section is effective July 1, 2018, contingent on federal approval. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained or denied.

Sec. 9. Minnesota Statutes 2016, section 254B.02, subdivision 1, is amended to read:

Subdivision 1. **Chemical dependency treatment allocation.** The chemical dependency treatment appropriation shall be placed in a special revenue account. ~~The commissioner shall annually transfer funds from the chemical dependency fund to pay for operation of the drug and alcohol abuse normative evaluation system and to~~

~~pay for all costs incurred by adding two positions for licensing of chemical dependency treatment and rehabilitation programs located in hospitals for which funds are not otherwise appropriated. The remainder of the money in the special revenue account must be used according to the requirements in this chapter.~~

Sec. 10. Minnesota Statutes 2017 Supplement, section 254B.03, subdivision 2, is amended to read:

Subd. 2. **Chemical dependency fund payment.** (a) Payment from the chemical dependency fund is limited to payments for services other than detoxification licensed under Minnesota Rules, parts 9530.6510 to 9530.6590, that, if located outside of federally recognized tribal lands, would be required to be licensed by the commissioner as a chemical dependency treatment or rehabilitation program under sections 245A.01 to 245A.16, and services other than detoxification provided in another state that would be required to be licensed as a chemical dependency program if the program were in the state. Out of state vendors must also provide the commissioner with assurances that the program complies substantially with state licensing requirements and possesses all licenses and certifications required by the host state to provide chemical dependency treatment. Vendors receiving payments from the chemical dependency fund must not require co-payment from a recipient of benefits for services provided under this subdivision. The vendor is prohibited from using the client's public benefits to offset the cost of services paid under this section. The vendor shall not require the client to use public benefits for room or board costs. This includes but is not limited to cash assistance benefits under chapters 119B, 256D, and 256J, or SNAP benefits. Retention of SNAP benefits is a right of a client receiving services through the consolidated chemical dependency treatment fund or through state contracted managed care entities. Payment from the chemical dependency fund shall be made for necessary room and board costs provided by vendors certified according to section 254B.05, or in a community hospital licensed by the commissioner of health according to sections 144.50 to 144.56 to a client who is:

(1) determined to meet the criteria for placement in a residential chemical dependency treatment program according to rules adopted under section 254A.03, subdivision 3; and

(2) concurrently receiving a chemical dependency treatment service in a program licensed by the commissioner and reimbursed by the chemical dependency fund.

(b) A county may, from its own resources, provide chemical dependency services for which state payments are not made. A county may elect to use the same invoice procedures and obtain the same state payment services as are used for chemical dependency services for which state payments are made under this section if county payments are made to the state in advance of state payments to vendors. When a county uses the state system for payment, the commissioner shall make monthly billings to the county using the most recent available information to determine the anticipated services for which payments will be made in the coming month. Adjustment of any overestimate or underestimate based on actual expenditures shall be made by the state agency by adjusting the estimate for any succeeding month.

(c) The commissioner shall coordinate chemical dependency services and determine whether there is a need for any proposed expansion of chemical dependency treatment services. ~~The commissioner shall deny vendor certification to any provider that has not received prior approval from the commissioner for the creation of new programs or the expansion of existing program capacity. The commissioner shall consider the provider's capacity to obtain clients from outside the state based on plans, agreements, and previous utilization history, when determining the need for new treatment services.~~ The commissioner may deny vendor certification to a provider if the commissioner determines that the services currently available in the local area are sufficient to meet local need and that the addition of new services would be detrimental to individuals seeking these services.

Sec. 11. Minnesota Statutes 2017 Supplement, section 256.045, subdivision 3, is amended to read:

Subd. 3. **State agency hearings.** (a) State agency hearings are available for the following:

(1) any person applying for, receiving or having received public assistance, medical care, or a program of social services granted by the state agency or a county agency or the federal Food Stamp Act whose application for assistance is denied, not acted upon with reasonable promptness, or whose assistance is suspended, reduced, terminated, or claimed to have been incorrectly paid;

(2) any patient or relative aggrieved by an order of the commissioner under section 252.27;

(3) a party aggrieved by a ruling of a prepaid health plan;

(4) except as provided under chapter 245C, any individual or facility determined by a lead investigative agency to have maltreated a vulnerable adult under section 626.557 after they have exercised their right to administrative reconsideration under section 626.557;

(5) any person whose claim for foster care payment according to a placement of the child resulting from a child protection assessment under section 626.556 is denied or not acted upon with reasonable promptness, regardless of funding source;

(6) any person to whom a right of appeal according to this section is given by other provision of law;

(7) an applicant aggrieved by an adverse decision to an application for a hardship waiver under section 256B.15;

(8) an applicant aggrieved by an adverse decision to an application or redetermination for a Medicare Part D prescription drug subsidy under section 256B.04, subdivision 4a;

(9) except as provided under chapter 245A, an individual or facility determined to have maltreated a minor under section 626.556, after the individual or facility has exercised the right to administrative reconsideration under section 626.556;

(10) except as provided under chapter 245C, an individual disqualified under sections 245C.14 and 245C.15, following a reconsideration decision issued under section 245C.23, on the basis of serious or recurring maltreatment; a preponderance of the evidence that the individual has committed an act or acts that meet the definition of any of the crimes listed in section 245C.15, subdivisions 1 to 4; or for failing to make reports required under section 626.556, subdivision 3, or 626.557, subdivision 3. Hearings regarding a maltreatment determination under clause (4) or (9) and a disqualification under this clause in which the basis for a disqualification is serious or recurring maltreatment, shall be consolidated into a single fair hearing. In such cases, the scope of review by the human services judge shall include both the maltreatment determination and the disqualification. The failure to exercise the right to an administrative reconsideration shall not be a bar to a hearing under this section if federal law provides an individual the right to a hearing to dispute a finding of maltreatment;

(11) any person with an outstanding debt resulting from receipt of public assistance, medical care, or the federal Food Stamp Act who is contesting a setoff claim by the Department of Human Services or a county agency. The scope of the appeal is the validity of the claimant agency's intention to request a setoff of a refund under chapter 270A against the debt;

(12) a person issued a notice of service termination under section 245D.10, subdivision 3a, from residential supports and services as defined in section 245D.03, subdivision 1, paragraph (c), clause (3), that is not otherwise subject to appeal under subdivision 4a;

(13) an individual disability waiver recipient based on a denial of a request for a rate exception under section 256B.4914; ~~or~~

(14) a person issued a notice of service termination under section 245A.11, subdivision 11, that is not otherwise subject to appeal under subdivision 4a; or

(15) a county disputes cost of care under section 246.54 based on administrative or other delay of a client's discharge from a state-operated facility after notification to a county that the client no longer meets medical criteria for the state-operated facility, when the county has developed a viable discharge plan.

(b) The hearing for an individual or facility under paragraph (a), clause (4), (9), or (10), is the only administrative appeal to the final agency determination specifically, including a challenge to the accuracy and completeness of data under section 13.04. Hearings requested under paragraph (a), clause (4), apply only to incidents of maltreatment that occur on or after October 1, 1995. Hearings requested by nursing assistants in nursing homes alleged to have maltreated a resident prior to October 1, 1995, shall be held as a contested case proceeding under the provisions of chapter 14. Hearings requested under paragraph (a), clause (9), apply only to incidents of maltreatment that occur on or after July 1, 1997. A hearing for an individual or facility under paragraph (a), clauses (4), (9), and (10), is only available when there is no district court action pending. If such action is filed in district court while an administrative review is pending that arises out of some or all of the events or circumstances on which the appeal is based, the administrative review must be suspended until the judicial actions are completed. If the district court proceedings are completed, dismissed, or overturned, the matter may be considered in an administrative hearing.

(c) For purposes of this section, bargaining unit grievance procedures are not an administrative appeal.

(d) The scope of hearings involving claims to foster care payments under paragraph (a), clause (5), shall be limited to the issue of whether the county is legally responsible for a child's placement under court order or voluntary placement agreement and, if so, the correct amount of foster care payment to be made on the child's behalf and shall not include review of the propriety of the county's child protection determination or child placement decision.

(e) The scope of hearings under paragraph (a), clauses (12) and (14), shall be limited to whether the proposed termination of services is authorized under section 245D.10, subdivision 3a, paragraph (b), or 245A.11, subdivision 11, and whether the requirements of section 245D.10, subdivision 3a, paragraphs (c) to (e), or 245A.11, subdivision 2a, paragraphs (d) to (f), were met. If the appeal includes a request for a temporary stay of termination of services, the scope of the hearing shall also include whether the case management provider has finalized arrangements for a residential facility, a program, or services that will meet the assessed needs of the recipient by the effective date of the service termination.

(f) A vendor of medical care as defined in section 256B.02, subdivision 7, or a vendor under contract with a county agency to provide social services is not a party and may not request a hearing under this section, except if assisting a recipient as provided in subdivision 4.

(g) An applicant or recipient is not entitled to receive social services beyond the services prescribed under chapter 256M or other social services the person is eligible for under state law.

(h) The commissioner may summarily affirm the county or state agency's proposed action without a hearing when the sole issue is an automatic change due to a change in state or federal law.

(i) Unless federal or Minnesota law specifies a different time frame in which to file an appeal, an individual or organization specified in this section may contest the specified action, decision, or final disposition before the state agency by submitting a written request for a hearing to the state agency within 30 days after receiving written notice of the action, decision, or final disposition, or within 90 days of such written notice if the applicant, recipient, patient, or relative shows good cause, as defined in section 256.0451, subdivision 13, why the request was not submitted within the 30-day time limit. The individual filing the appeal has the burden of proving good cause by a preponderance of the evidence.

Sec. 12. Minnesota Statutes 2017 Supplement, section 256B.0625, subdivision 56a, is amended to read:

Subd. 56a. **Post-arrest Officer-involved community-based service care coordination.** (a) Medical assistance covers ~~post-arrest officer-involved~~ officer-involved community-based ~~service care~~ care coordination for an individual who:

(1) has ~~been identified as having~~ screened positive for benefiting from treatment for a mental illness or substance use disorder using a ~~screening~~ screening tool approved by the commissioner;

(2) does not require the security of a public detention facility and is not considered an inmate of a public institution as defined in Code of Federal Regulations, title 42, section 435.1010;

(3) meets the eligibility requirements in section 256B.056; and

(4) has agreed to participate in ~~post-arrest officer-involved~~ officer-involved community-based ~~service care~~ care coordination ~~through a diversion contract in lieu of incarceration.~~

(b) ~~Post-arrest Officer-involved~~ Officer-involved community-based ~~service care~~ care coordination means navigating services to address a client's mental health, chemical health, social, economic, and housing needs, or any other activity targeted at reducing the incidence of jail utilization and connecting individuals with existing covered services available to them, including, but not limited to, targeted case management, waiver case management, or care coordination.

(c) ~~Post-arrest Officer-involved~~ Officer-involved community-based ~~service care~~ care coordination must be provided by an individual who is an employee of ~~a county~~ a county or is under contract with a county, ~~or is an employee of or under contract with an Indian health service facility or facility owned and operated by a tribe or a tribal organization operating under Public Law 93-638 as a 638 facility~~ to provide post-arrest officer-involved community-based care coordination and is qualified under one of the following criteria:

(1) a licensed mental health professional as defined in section 245.462, subdivision 18, clauses (1) to (6);

(2) a mental health practitioner as defined in section 245.462, subdivision 17, working under the clinical supervision of a mental health professional; ~~or~~

(3) a certified peer specialist under section 256B.0615, working under the clinical supervision of a mental health professional;

(4) an individual qualified as an alcohol and drug counselor under section 254G.11, subdivision 5; or

(5) a recovery peer qualified under section 245G.11, subdivision 8, working under the supervision of an individual qualified as an alcohol and drug counselor under section 245G.11, subdivision 5.

(d) Reimbursement is allowed for up to 60 days following the initial determination of eligibility.

(e) Providers of ~~post-arrest~~ officer-involved community-based ~~service care~~ coordination shall annually report to the commissioner on the number of individuals served, and number of the community-based services that were accessed by recipients. The commissioner shall ensure that services and payments provided under ~~post-arrest~~ officer-involved community-based ~~service care~~ coordination do not duplicate services or payments provided under section 256B.0625, subdivision 20, 256B.0753, 256B.0755, or 256B.0757.

(f) Notwithstanding section 256B.19, subdivision 1, the nonfederal share of cost for post-arrest community-based service coordination services shall be provided by the county providing the services, from sources other than federal funds or funds used to match other federal funds.

EFFECTIVE DATE. Paragraphs (a) to (e) are effective retroactively from March 1, 2018.

Sec. 13. Minnesota Statutes 2016, section 641.15, subdivision 3a, is amended to read:

Subd. 3a. **Intake procedure; approved mental health screening.** As part of its intake procedure for new ~~prisoners inmates~~, the sheriff or local corrections shall use a mental health screening tool approved by the commissioner of corrections in consultation with the commissioner of human services and local corrections staff to identify persons who may have mental illness. Names of persons who have screened positive or may have a mental illness may be shared with the local county social services agency. The jail may refer an offender to county personnel of the welfare system, as defined in section 13.46, subdivision 1, paragraph (c), in order to arrange for services upon discharge and may share private data as necessary to carry out the following:

(1) providing assistance in filling out an application for medical assistance or MinnesotaCare;

(2) making a referral for case management as outlined under section 245.467, subdivision 4;

(3) providing assistance in obtaining a state photo identification;

(4) securing a timely appointment with a psychiatrist or other appropriate community mental health provider;

(5) providing prescriptions for a 30-day supply of all necessary medications; or

(6) behavioral health service coordination.

Sec. 14. Laws 2017, First Special Session chapter 6, article 8, section 71, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective for services provided on July 1, 2017, through ~~April 30, 2019,~~ and expires ~~May 1, 2019~~ June 30, 2019, and expires July 1, 2019.

Sec. 15. Laws 2017, First Special Session chapter 6, article 8, section 72, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective for services provided on July 1, 2017, through ~~April 30, 2019,~~ and expires ~~May 1, 2019~~ June 30, 2019, and expires July 1, 2019.

Sec. 16. Laws 2017, First Special Session chapter 6, article 8, section 74, is amended to read:

Sec. 74. **CHILDREN'S MENTAL HEALTH REPORT AND RECOMMENDATIONS.**

The commissioner of human services shall conduct a comprehensive analysis of Minnesota's continuum of intensive mental health services and shall develop recommendations for a sustainable and community-driven continuum of care for children with serious mental health needs, including children currently being served in residential treatment. The commissioner's analysis shall include, but not be limited to:

(1) data related to access, utilization, efficacy, and outcomes for Minnesota's current system of residential mental health treatment for a child with a severe emotional disturbance;

(2) potential expansion of the state's psychiatric residential treatment facility (PRTF) capacity, including increasing the number of PRTF beds and conversion of existing children's mental health residential treatment programs into PRTFs;

(3) the capacity need for PRTF and other group settings within the state if adequate community-based alternatives are accessible, equitable, and effective statewide;

(4) recommendations for expanding alternative community-based service models to meet the needs of a child with a serious mental health disorder who would otherwise require residential treatment and potential service models that could be utilized, including data related to access, utilization, efficacy, and outcomes;

(5) models of care used in other states; and

(6) analysis and specific recommendations for the design and implementation of new service models, including analysis to inform rate setting as necessary.

The analysis shall be supported and informed by extensive stakeholder engagement. Stakeholders include individuals who receive services, family members of individuals who receive services, providers, counties, health plans, advocates, and others. Stakeholder engagement shall include interviews with key stakeholders, intentional outreach to individuals who receive services and the individual's family members, and regional listening sessions.

The commissioner shall provide a report with specific recommendations and timelines for implementation to the legislative committees with jurisdiction over children's mental health policy and finance by ~~November 15, 2018~~ January 15, 2019.

ARTICLE 4 OPIOIDS AND PRESCRIPTION DRUGS

Section 1. **[62Q.184] STEP THERAPY OVERRIDE.**

Subdivision 1. Definitions. (a) For the purposes of this section, the terms in this subdivision have the meanings given them.

(b) "Clinical practice guideline" means a systematically developed statement to assist health care providers and enrollees in making decisions about appropriate health care services for specific clinical circumstances and conditions developed independently of a health plan company, pharmaceutical manufacturer, or any entity with a conflict of interest.

(c) "Clinical review criteria" means the written screening procedures, decision abstracts, clinical protocols, and clinical practice guidelines used by a health plan company to determine the medical necessity and appropriateness of health care services.

(d) "Health plan company" has the meaning given in section 62Q.01, subdivision 4, but does not include a managed care organization or county-based purchasing plan participating in a public program under chapters 256B or 256L, or an integrated health partnership under section 256B.0755.

(e) "Step therapy protocol" means a protocol or program that establishes the specific sequence in which prescription drugs for a specified medical condition, including self-administered and physician-administered drugs, are medically appropriate for a particular enrollee and are covered under a health plan.

(f) "Step therapy override" means that the step therapy protocol is overridden in favor of coverage of the selected prescription drug of the prescribing health care provider because at least one of the conditions of subdivision 3, paragraph (a), exists.

Subd. 2. Establishment of a step therapy protocol. A health plan company shall consider available recognized evidence-based and peer-reviewed clinical practice guidelines when establishing a step therapy protocol. Upon written request of an enrollee, a health plan company shall provide any clinical review criteria applicable to a specific prescription drug covered by the health plan.

Subd. 3. Step therapy override process; transparency. (a) When coverage of a prescription drug for the treatment of a medical condition is restricted for use by a health plan company through the use of a step therapy protocol, enrollees and prescribing health care providers shall have access to a clear, readily accessible, and convenient process to request a step therapy override. The process shall be made easily accessible on the health plan company's Web site. A health plan company may use its existing medical exceptions process to satisfy this requirement. A health plan company shall grant an override to the step therapy protocol if at least one of the following conditions exist:

(1) the prescription drug required under the step therapy protocol is contraindicated pursuant to the pharmaceutical manufacturer's prescribing information for the drug or, due to a documented adverse event with a previous use or a documented medical condition, including a comorbid condition, is likely to do any of the following:

(i) cause an adverse reaction to the enrollee;

(ii) decrease the ability of the enrollee to achieve or maintain reasonable functional ability in performing daily activities; or

(iii) cause physical or mental harm to the enrollee;

(2) the enrollee has had a trial of the required prescription drug covered by their current or previous health plan, or another prescription drug in the same pharmacologic class or with the same mechanism of action, and was adherent during such trial for a period of time sufficient to allow for a positive treatment outcome, and the prescription drug was discontinued by the enrollee's health care provider due to lack of effectiveness, or an adverse event. This clause does not prohibit a health plan company from requiring an enrollee to try another drug in the same pharmacologic class or with the same mechanism of action if that therapy sequence is supported by the evidence-based and peer-reviewed clinical practice guideline, Food and Drug Administration label, or pharmaceutical manufacturer's prescribing information; or

(3) the enrollee is currently receiving a positive therapeutic outcome on a prescription drug for the medical condition under consideration if, while on their current health plan or the immediately preceding health plan, the enrollee received coverage for the prescription drug and the enrollee's prescribing health care provider gives documentation to the health plan company that the change in prescription drug required by the step therapy protocol is expected to be ineffective or cause harm to the enrollee based on the known characteristics of the specific enrollee and the known characteristics of the required prescription drug.

(b) Upon granting a step therapy override, a health plan company shall authorize coverage for the prescription drug if the prescription drug is a covered prescription drug under the enrollee's health plan.

(c) The enrollee, or the prescribing health care provider if designated by the enrollee, may appeal the denial of a step therapy override by a health plan company using the complaint procedure under sections 62Q.68 to 62Q.73.

(d) In a denial of an override request and any subsequent appeal, a health plan company's decision must specifically state why the step therapy override request did not meet the condition under paragraph (a) cited by the prescribing health care provider in requesting the step therapy override and information regarding the procedure to request external review of the denial pursuant to section 62Q.73. A denial of a request for a step therapy override that is upheld on appeal is a final adverse determination for purposes of section 62Q.73 and is eligible for a request for external review by an enrollee pursuant to section 62Q.73.

(e) A health plan company shall respond to a step therapy override request or an appeal within five days of receipt of a complete request. In cases where exigent circumstances exist, a health plan company shall respond within 72 hours of receipt of a complete request. If a health plan company does not send a response to the enrollee or prescribing health care provider if designated by the enrollee within the time allotted, the override request or appeal is granted and binding on the health plan company.

(f) Step therapy override requests must be accessible to and submitted by health care providers, and accepted by group purchasers electronically through secure electronic transmission, as described under section 62J.497, subdivision 5.

(g) Nothing in this section prohibits a health plan company from:

(1) requesting relevant documentation from an enrollee's medical record in support of a step therapy override request; or

(2) requiring an enrollee to try a generic equivalent drug pursuant to section 151.21, or a biosimilar, as defined under United States Code, title 42, section 262(i)(2), prior to providing coverage for the equivalent branded prescription drug.

(h) This section shall not be construed to allow the use of a pharmaceutical sample for the primary purpose of meeting the requirements for a step therapy override.

EFFECTIVE DATE. This section is effective January 1, 2019, and applies to health plans offered, issued, or sold on or after that date.

Sec. 2. Minnesota Statutes 2016, section 151.214, subdivision 2, is amended to read:

Subd. 2. **No prohibition on disclosure.** No contracting agreement between an employer-sponsored health plan or health plan company, or its contracted pharmacy benefit manager, and a resident or nonresident pharmacy registered licensed under this chapter, may prohibit ~~the~~

(1) a pharmacy from disclosing to patients information a pharmacy is required or given the option to provide under subdivision 1; or

(2) a pharmacist from informing a patient when the amount the patient is required to pay under the patient's health plan for a particular drug is greater than the amount the patient would be required to pay for the same drug if purchased out-of-pocket at the pharmacy's usual and customary price.

Sec. 3. **[151.555] PRESCRIPTION DRUG REPOSITORY PROGRAM.**

Subdivision 1. Definitions. (a) For the purposes of this section, the terms defined in this subdivision have the meanings given.

(b) "Central repository" means a wholesale distributor that meets the requirements under subdivision 3 and enters into a contract with the Board of Pharmacy in accordance with this section.

(c) "Distribute" means to deliver, other than by administering or dispensing.

(d) "Donor" means:

(1) a health care facility as defined in this subdivision;

(2) a skilled nursing facility licensed under chapter 144A;

(3) an assisted living facility registered under chapter 144D where there is centralized storage of drugs and 24-hour on-site licensed nursing coverage provided seven days a week;

(4) a pharmacy licensed under section 151.19, and located either in the state or outside the state;

(5) a drug wholesaler licensed under section 151.47; or

(6) a drug manufacturer licensed under section 151.252.

(e) "Drug" means any prescription drug that has been approved for medical use in the United States, is listed in the United States Pharmacopoeia or National Formulary, and meets the criteria established under this section for donation. This definition includes cancer drugs and antirejection drugs, but does not include controlled substances, as defined in section 152.01, subdivision 4, or a prescription drug that can only be dispensed to a patient registered with the drug's manufacturer in accordance with federal Food and Drug Administration requirements.

(f) "Health care facility" means:

(1) a physician's office or health care clinic where licensed practitioners provide health care to patients;

(2) a hospital licensed under section 144.50;

(3) a pharmacy licensed under section 151.19 and located in Minnesota; or

(4) a nonprofit community clinic, including a federally qualified health center; a rural health clinic; public health clinic; or other community clinic that provides health care utilizing a sliding fee scale to patients who are low-income, uninsured, or underinsured.

(g) "Local repository" means a health care facility that elects to accept donated drugs and medical supplies and meets the requirements of subdivision 4.

(h) "Medical supplies" or "supplies" means any prescription and nonprescription medical supply needed to administer a prescription drug.

(i) "Original, sealed, unopened, tamper-evident packaging" means packaging that is sealed, unopened, and tamper-evident, including a manufacturer's original unit dose or unit-of-use container, a repackager's original unit dose or unit-of-use container, or unit-dose packaging prepared by a licensed pharmacy according to the standards of Minnesota Rules, part 6800.3750.

(j) "Practitioner" has the meaning given in section 151.01, subdivision 23, except that it does not include a veterinarian.

Subd. 2. Establishment. By January 1, 2019, the Board of Pharmacy shall establish a drug repository program, through which donors may donate a drug or medical supply for use by an individual who meets the eligibility criteria specified under subdivision 5. The board shall contract with a central repository that meets the requirements of subdivision 3 to implement and administer the prescription drug repository program.

Subd. 3. Central repository requirements. (a) The board shall publish a request for proposal for participants who meet the requirements of this subdivision and are interested in acting as the central repository for the drug repository program. The board shall follow all applicable state procurement procedures in the selection process.

(b) To be eligible to act as the central repository, the participant must be a wholesale drug distributor located in Minnesota, licensed pursuant to section 151.47, and in compliance with all applicable federal and state statutes, rules, and regulations.

(c) The central repository shall be subject to inspection by the board pursuant to section 151.06, subdivision 1.

Subd. 4. Local repository requirements. (a) To be eligible for participation in the drug repository program, a health care facility must agree to comply with all applicable federal and state laws, rules, and regulations pertaining to the drug repository program, drug storage, and dispensing. The facility must also agree to maintain in good standing any required state license or registration that may apply to the facility.

(b) A local repository may elect to participate in the program by submitting the following information to the central repository on a form developed by the board and made available on the board's Web site:

(1) the name, street address, and telephone number of the health care facility and any state-issued license or registration number issued to the facility, including the issuing state agency;

(2) the name and telephone number of a responsible pharmacist or practitioner who is employed by or under contract with the health care facility; and

(3) a statement signed and dated by the responsible pharmacist or practitioner indicating that the health care facility meets the eligibility requirements under this section and agrees to comply with this section.

(c) Participation in the drug repository program is voluntary. A local repository may withdraw from participation in the drug repository program at any time by providing written notice to the central repository on a form developed by the board and made available on the board's Web site. The central repository shall provide the board with a copy of the withdrawal notice within ten business days from the date of receipt of the withdrawal notice.

Subd. 5. Individual eligibility and application requirements. (a) To be eligible for the drug repository program, an individual must submit to a local repository an intake application form that is signed by the individual and attests that the individual:

(1) is a resident of Minnesota;

(2) is uninsured, has no prescription drug coverage, or is underinsured;

(3) acknowledges that the drugs or medical supplies to be received through the program may have been donated; and

(4) consents to a waiver of the child-resistant packaging requirements of the federal Poison Prevention Packaging Act.

(b) Upon determining that an individual is eligible for the program, the local repository shall furnish the individual with an identification card. The card shall be valid for one year from the date of issuance and may be used at any local repository. A new identification card may be issued upon expiration once the individual submits a new application form.

(c) The local repository shall send a copy of the intake application form to the central repository by regular mail, facsimile, or secured e-mail within ten days from the date the application is approved by the local repository.

(d) The board shall develop and make available on the board's Web site an application form and the format for the identification card.

Subd. 6. Standards and procedures for accepting donations of drugs and supplies. (a) A donor may donate prescription drugs or medical supplies to the central repository or a local repository if the drug or supply meets the requirements of this section as determined by a pharmacist or practitioner who is employed by or under contract with the central repository or a local repository.

(b) A prescription drug is eligible for donation under the drug repository program if the following requirements are met:

(1) the donation is accompanied by a drug repository donor form described under paragraph (d) that is signed by an individual who is authorized by the donor to attest to the donor's knowledge in accordance with paragraph (d);

(2) the drug's expiration date is at least six months after the date the drug was donated. If a donated drug bears an expiration date that is less than six months from the donation date, the drug may be accepted and distributed if the drug is in high demand and can be dispensed for use by a patient before the drug's expiration date;

(3) the drug is in its original, sealed, unopened, tamper-evident packaging that includes the expiration date. Single-unit-dose drugs may be accepted if the single-unit-dose packaging is unopened;

(4) the drug or the packaging does not have any physical signs of tampering, misbranding, deterioration, compromised integrity, or adulteration;

(5) the drug does not require storage temperatures other than normal room temperature as specified by the manufacturer or United States Pharmacopoeia, unless the drug is being donated directly by its manufacturer, a wholesale drug distributor, or a pharmacy located in Minnesota; and

(6) the prescription drug is not a controlled substance.

(c) A medical supply is eligible for donation under the drug repository program if the following requirements are met:

(1) the supply has no physical signs of tampering, misbranding, or alteration and there is no reason to believe it has been adulterated, tampered with, or misbranded;

(2) the supply is in its original, unopened, sealed packaging;

(3) the donation is accompanied by a drug repository donor form described under paragraph (d) that is signed by an individual who is authorized by the donor to attest to the donor's knowledge in accordance with paragraph (d); and

(4) if the supply bears an expiration date, the date is at least six months later than the date the supply was donated. If the donated supply bears an expiration date that is less than six months from the date the supply was donated, the supply may be accepted and distributed if the supply is in high demand and can be dispensed for use by a patient before the supply's expiration date.

(d) The board shall develop the drug repository donor form and make it available on the board's Web site. The form must state that to the best of the donor's knowledge the donated drug or supply has been properly stored and that the drug or supply has never been opened, used, tampered with, adulterated, or misbranded.

(e) Donated drugs and supplies may be shipped or delivered to the premises of the central repository or a local repository, and shall be inspected by a pharmacist or an authorized practitioner who is employed by or under contract with the repository and who has been designated by the repository to accept donations. A drop box must not be used to deliver or accept donations.

(f) The central repository and local repository shall inventory all drugs and supplies donated to the repository. For each drug, the inventory must include the drug's name, strength, quantity, manufacturer, expiration date, and the date the drug was donated. For each medical supply, the inventory must include a description of the supply, its manufacturer, the date the supply was donated, and, if applicable, the supply's brand name and expiration date.

Subd. 7. Standards and procedures for inspecting and storing donated prescription drugs and supplies.

(a) A pharmacist or authorized practitioner who is employed by or under contract with the central repository or a local repository shall inspect all donated prescription drugs and supplies to determine, to the extent reasonably possible in the professional judgment of the pharmacist or practitioner, that the drug or supply is not adulterated or misbranded, has not been tampered with, is safe and suitable for dispensing, and meets the requirements for donation. The pharmacist or practitioner who inspects the drugs or supplies shall sign an inspection record stating that the requirements for donation have been met. If a local repository receives drugs and supplies from the central repository, the local repository does not need to reinspect the drugs and supplies.

(b) The central repository and local repositories shall store donated drugs and supplies in a secure storage area under environmental conditions appropriate for the drug or supply being stored. Donated drugs and supplies may not be stored with nondonated inventory. If donated drugs or supplies are not inspected immediately upon receipt, a repository must quarantine the donated drugs or supplies separately from all dispensing stock until the donated drugs or supplies have been inspected and approved for dispensing under the program.

(c) The central repository and local repositories shall dispose of all prescription drugs and medical supplies that are not suitable for donation in compliance with applicable federal and state statutes, regulations, and rules concerning hazardous waste.

(d) In the event that controlled substances or prescription drugs that can only be dispensed to a patient registered with the drug's manufacturer are shipped or delivered to a central or local repository for donation, the shipment delivery must be documented by the repository and returned immediately to the donor or the donor's representative that provided the drugs.

(e) Each repository must develop drug and medical supply recall policies and procedures. If a repository receives a recall notification, the repository shall destroy all of the drug or medical supply in its inventory that is the subject of the recall and complete a record of destruction form in accordance with paragraph (f). If a drug or medical supply that is the subject of a Class I or Class II recall has been dispensed, the repository shall immediately

notify the recipient of the recalled drug or medical supply. A drug that potentially is subject to a recall need not be destroyed if its packaging bears a lot number and that lot of the drug is not subject to the recall. If no lot number is on the drug's packaging, it must be destroyed.

(f) A record of destruction of donated drugs and supplies that are not dispensed under subdivision 8, are subject to a recall under paragraph (e), or are not suitable for donation shall be maintained by the repository for at least five years. For each drug or supply destroyed, the record shall include the following information:

- (1) the date of destruction;
- (2) the name, strength, and quantity of the drug destroyed; and
- (3) the name of the person or firm that destroyed the drug.

Subd. 8. **Dispensing requirements.** (a) Donated drugs and supplies may be dispensed if the drugs or supplies are prescribed by a practitioner for use by an eligible individual and are dispensed by a pharmacist or practitioner. A repository shall dispense drugs and supplies to eligible individuals in the following priority order: (1) individuals who are uninsured; (2) individuals with no prescription drug coverage; and (3) individuals who are underinsured. A repository shall dispense donated prescription drugs in compliance with applicable federal and state laws and regulations for dispensing prescription drugs, including all requirements relating to packaging, labeling, record keeping, drug utilization review, and patient counseling.

(b) Before dispensing or administering a drug or supply, the pharmacist or practitioner shall visually inspect the drug or supply for adulteration, misbranding, tampering, and date of expiration. Drugs or supplies that have expired or appear upon visual inspection to be adulterated, misbranded, or tampered with in any way must not be dispensed or administered.

(c) Before a drug or supply is dispensed or administered to an individual, the individual must sign a drug repository recipient form acknowledging that the individual understands the information stated on the form. The board shall develop the form and make it available on the board's Web site. The form must include the following information:

- (1) that the drug or supply being dispensed or administered has been donated and may have been previously dispensed;
- (2) that a visual inspection has been conducted by the pharmacist or practitioner to ensure that the drug or supply has not expired, has not been adulterated or misbranded, and is in its original, unopened packaging; and
- (3) that the dispensing pharmacist, the dispensing or administering practitioner, the central repository or local repository, the Board of Pharmacy, and any other participant of the drug repository program cannot guarantee the safety of the drug or medical supply being dispensed or administered and that the pharmacist or practitioner has determined that the drug or supply is safe to dispense or administer based on the accuracy of the donor's form submitted with the donated drug or medical supply and the visual inspection required to be performed by the pharmacist or practitioner before dispensing or administering.

Subd. 9. **Handling fees.** (a) The central or local repository may charge the individual receiving a drug or supply a handling fee of no more than 250 percent of the medical assistance program dispensing fee for each drug or medical supply dispensed or administered by that repository.

(b) A repository that dispenses or administers a drug or medical supply through the drug repository program shall not receive reimbursement under the medical assistance program or the MinnesotaCare program for that dispensed or administered drug or supply.

Subd. 10. Distribution of donated drugs and supplies. (a) The central repository and local repositories may distribute drugs and supplies donated under the drug repository program to other participating repositories for use pursuant to this program.

(b) A local repository that elects not to dispense donated drugs or supplies must transfer all donated drugs and supplies to the central repository. A copy of the donor form that was completed by the original donor under subdivision 6 must be provided to the central repository at the time of transfer.

Subd. 11. Forms and record-keeping requirements. (a) The following forms developed for the administration of this program shall be utilized by the participants of the program and shall be available on the board's Web site:

- (1) intake application form described under subdivision 5;
- (2) local repository participation form described under subdivision 4;
- (3) local repository withdrawal form described under subdivision 4;
- (4) drug repository donor form described under subdivision 6;
- (5) record of destruction form described under subdivision 7; and
- (6) drug repository recipient form described under subdivision 8.

(b) All records, including drug inventory, inspection, and disposal of donated prescription drugs and medical supplies must be maintained by a repository for a minimum of five years. Records required as part of this program must be maintained pursuant to all applicable practice acts.

(c) Data collected by the drug repository program from all local repositories shall be submitted quarterly or upon request to the central repository. Data collected may consist of the information, records, and forms required to be collected under this section.

(d) The central repository shall submit reports to the board as required by the contract or upon request of the board.

Subd. 12. Liability. (a) The manufacturer of a drug or supply is not subject to criminal or civil liability for injury, death, or loss to a person or to property for causes of action described in clauses (1) and (2). A manufacturer is not liable for:

- (1) the intentional or unintentional alteration of the drug or supply by a party not under the control of the manufacturer; or
- (2) the failure of a party not under the control of the manufacturer to transfer or communicate product or consumer information or the expiration date of the donated drug or supply.

(b) A health care facility participating in the program, a pharmacist dispensing a drug or supply pursuant to the program, a practitioner dispensing or administering a drug or supply pursuant to the program, or a donor of a drug or medical supply is immune from civil liability for an act or omission that causes injury to or the death of an individual to whom the drug or supply is dispensed and no disciplinary action by a health-related licensing board shall be taken against a pharmacist or practitioner so long as the drug or supply is donated, accepted, distributed, and dispensed according to the requirements of this section. This immunity does not apply if the act or omission involves reckless, wanton, or intentional misconduct, or malpractice unrelated to the quality of the drug or medical supply.

Sec. 4. Minnesota Statutes 2016, section 151.71, is amended by adding a subdivision to read:

Subd. 3. **Lowest cost to consumers.** (a) A health plan company or pharmacy benefits manager shall not require an individual to make a payment at the point of sale for a covered prescription medication in an amount greater than the allowable cost to consumers, as defined in paragraph (b).

(b) For purposes of paragraph (a), "allowable cost to consumers" means the lowest of: (1) the applicable co-payment for the prescription medication; or (2) the amount an individual would pay for the prescription medication if the individual purchased the prescription medication without using a health plan benefit.

Sec. 5. Minnesota Statutes 2017 Supplement, section 152.105, subdivision 2, is amended to read:

Subd. 2. **Sheriff to maintain collection receptacle.** The sheriff of each county shall maintain or contract for the maintenance of at least one collection receptacle for the disposal of noncontrolled substances, pharmaceutical controlled substances, and other legend drugs, as permitted by federal law. For purposes of this section, "legend drug" has the meaning given in section 151.01, subdivision 17. The collection receptacle must comply with federal law. In maintaining and operating the collection receptacle, the sheriff shall follow all applicable provisions of Code of Federal Regulations, title 21, parts 1300, 1301, 1304, 1305, 1307, and 1317, as amended through May 1, 2017. The sheriff of each county may meet the requirements of this subdivision through the use of an alternative method for the disposal of noncontrolled substances, pharmaceutical controlled substances, and other legend drugs that has been approved by the Board of Pharmacy. This may include making available to the public, without charge, at-home prescription drug deactivation and disposal products that render drugs and medications inert and irretrievable.

Sec. 6. Minnesota Statutes 2016, section 152.11, is amended by adding a subdivision to read:

Subd. 5. **Limitations on the dispensing of opioid prescription drug orders.** (a) No prescription drug order for an opioid drug listed in Schedule II may be dispensed by a pharmacist or other dispenser more than 30 days after the date on which the prescription drug order was issued.

(b) No prescription drug order for an opioid drug listed in Schedules III through V may be initially dispensed by a pharmacist or other dispenser more than 30 days after the date on which the prescription drug order was issued. No prescription drug order for an opioid drug listed in Schedules III through V may be refilled by a pharmacist or other dispenser more than 45 days after the previous date on which it was dispensed.

(c) For purposes of this section, "dispenser" has the meaning given in section 152.126, subdivision 1.

Sec. 7. **STUDENT HEALTH INITIATIVE TO LIMIT OPIOID HARM.**

Subdivision 1. **Grant awards.** The commissioner of human services, in consultation with the commissioner of education, the Board of Trustees of the Minnesota State Colleges and Universities, the Board of Directors of the Minnesota Private College Council, and the regents of the University of Minnesota, shall develop and administer a program to award grants to secondary school students in grades 7 through 12 and undergraduate students attending a

Minnesota postsecondary educational institution, and their community partner or partners, to conduct opioid awareness and opioid abuse prevention activities. If a grant proposal includes more than one community partner, the proposal must designate a primary community partner. Grant applications must be submitted by the primary community partner and any grant award must be managed by the primary community partner on behalf of secondary school and undergraduate student applicants and grantees. Grants shall be awarded for a fiscal year and are onetime.

Subd. 2. **Grant criteria.** (a) Grant dollars may be used for opioid awareness campaigns and events, education related to opioid addiction and abuse prevention, initiatives to limit inappropriate opioid prescriptions, peer education programs targeted to students at high risk of opioid addiction and abuse, and other related initiatives as approved by the commissioner. Grant projects must include one or more of the following components as they relate to opioid abuse and prevention and the role of the community partner: high-risk populations, law enforcement, education, clinical services, or social services.

(b) The commissioner of human services shall seek to provide grant funding for at least one proposal that addresses opioid abuse in the American Indian community.

Subd. 3. **Community partners.** For purposes of the grant program, community partners may include but are not limited to public health agencies; local law enforcement; community health centers; medical clinics; emergency medical service professionals; schools and postsecondary educational institutions; opioid addiction, advocacy, and recovery organizations; tribal governments; local chambers of commerce; and city councils and county boards.

Subd. 4. **Report.** The commissioner of human services shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance, K-12 education policy and finance, and higher education policy and finance by September 1, 2019, on the implementation of the grant program and the grants awarded under this section.

Subd. 5. **Federal grants.** (a) The commissioner of human services shall apply for any federal grant funding that aligns with the purposes of this section. The commissioner shall submit to the legislature any changes to the program established under this section that are necessary to comply with the terms of the federal grant.

(b) The commissioner shall notify the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance, K-12 education policy and finance, and higher education policy and finance of any grant applications submitted and any federal actions taken related to the grant applications.

Sec. 8. **OPIOID OVERDOSE REDUCTION PILOT PROGRAM.**

Subdivision 1. **Establishment.** The commissioner of health shall provide grants to ambulance services to fund activities by community paramedic teams to reduce opioid overdoses in the state. Under this pilot program, ambulance services shall develop and implement projects in which community paramedics connect with patients who are discharged from a hospital or emergency department following an opioid overdose episode, develop personalized care plans for those patients in consultation with the ambulance service medical director, and provide follow-up services to those patients.

Subd. 2. **Priority areas; services.** (a) In a project developed under this section, an ambulance service must target community paramedic team services to portions of the service area with high levels of opioid use, high death rates from opioid overdoses, and urgent needs for interventions.

(b) In a project developed under this section, a community paramedic team shall:

(1) provide services to patients released from a hospital following an opioid overdose episode and place priority on serving patients who were administered the opiate antagonist naloxone hydrochloride by emergency medical services personnel in response to a 911 call during the opioid overdose episode;

(2) provide the following evaluations during an initial home visit: a home safety assessment including whether there is a need to dispose of prescription drugs that are expired or no longer needed; medication reconciliation; an HIV risk assessment; instruction on the use of naloxone hydrochloride; and a basic needs assessment;

(3) provide patients with health assessments, medication management, chronic disease monitoring and education, and assistance in following hospital discharge orders; and

(4) work with a multidisciplinary team to address the overall physical and mental health needs of patients and health needs related to substance use disorder treatment.

Subd. 3. **Evaluation.** An ambulance service that receives a grant under this section must evaluate the extent to which the project was successful in reducing the number of opioid overdoses and opioid overdose deaths among patients who received services and in reducing the inappropriate use of opioids by patients who received services. The commissioner of health shall develop specific evaluation measures and reporting timelines for ambulance services receiving grants. Ambulance services must submit the information required by the commissioner to the commissioner and the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services by December 1, 2019.

Sec. 9. **REPEALER.**

Minnesota Statutes 2016, section 151.55, is repealed.

ARTICLE 5
COMMUNITY SUPPORTS AND CONTINUING CARE

Section 1. Minnesota Statutes 2017 Supplement, section 245A.03, subdivision 7, is amended to read:

Subd. 7. **Licensing moratorium.** (a) The commissioner shall not issue an initial license for child foster care licensed under Minnesota Rules, parts 2960.3000 to 2960.3340, or adult foster care licensed under Minnesota Rules, parts 9555.5105 to 9555.6265, under this chapter for a physical location that will not be the primary residence of the license holder for the entire period of licensure. If a license is issued during this moratorium, and the license holder changes the license holder's primary residence away from the physical location of the foster care license, the commissioner shall revoke the license according to section 245A.07. The commissioner shall not issue an initial license for a community residential setting licensed under chapter 245D. When approving an exception under this paragraph, the commissioner shall consider the resource need determination process in paragraph (h), the availability of foster care licensed beds in the geographic area in which the licensee seeks to operate, the results of a person's choices during their annual assessment and service plan review, and the recommendation of the local county board. The determination by the commissioner is final and not subject to appeal. Exceptions to the moratorium include:

(1) foster care settings that are required to be registered under chapter 144D;

(2) foster care licenses replacing foster care licenses in existence on May 15, 2009, or community residential setting licenses replacing adult foster care licenses in existence on December 31, 2013, and determined to be needed by the commissioner under paragraph (b);

(3) new foster care licenses or community residential setting licenses determined to be needed by the commissioner under paragraph (b) for the closure of a nursing facility, ICF/DD, or regional treatment center; restructuring of state-operated services that limits the capacity of state-operated facilities; or allowing movement to the community for people who no longer require the level of care provided in state-operated facilities as provided under section 256B.092, subdivision 13, or 256B.49, subdivision 24;

(4) new foster care licenses or community residential setting licenses determined to be needed by the commissioner under paragraph (b) for persons requiring hospital level care;

(5) new foster care licenses or community residential setting licenses determined to be needed by the commissioner for the transition of people from personal care assistance to the home and community-based services;

(6) new foster care licenses or community residential setting licenses determined to be needed by the commissioner for the transition of people from the residential care waiver services to foster care services. This exception applies only when:

(i) the person's case manager provided the person with information about the choice of service, service provider, and location of service to help the person make an informed choice; and

(ii) the person's foster care services are less than or equal to the cost of the person's services delivered in the residential care waiver service setting as determined by the lead agency; ~~or~~

(7) new foster care licenses or community residential setting licenses for people receiving services under chapter 245D and residing in an unlicensed setting before May 1, 2017, and for which a license is required. This exception does not apply to people living in their own home. For purposes of this clause, there is a presumption that a foster care or community residential setting license is required for services provided to three or more people in a dwelling unit when the setting is controlled by the provider. A license holder subject to this exception may rebut the presumption that a license is required by seeking a reconsideration of the commissioner's determination. The commissioner's disposition of a request for reconsideration is final and not subject to appeal under chapter 14. The exception is available until June 30, ~~2018~~ 2019. This exception is available when:

(i) the person's case manager provided the person with information about the choice of service, service provider, and location of service, including in the person's home, to help the person make an informed choice; and

(ii) the person's services provided in the licensed foster care or community residential setting are less than or equal to the cost of the person's services delivered in the unlicensed setting as determined by the lead agency; ~~or~~

(8) a vacancy in a setting granted an exception under clause (7) may receive an exception created by a person receiving services under chapter 245D and residing in the unlicensed setting between January 1, 2017, and May 1, 2017, for which a vacancy occurs between January 1, 2017, and the date of the exception request. This exception is available when the lead agency provides documentation to the commissioner on the eligibility criteria being met. This exception is available until June 30, 2019.

(b) The commissioner shall determine the need for newly licensed foster care homes or community residential settings as defined under this subdivision. As part of the determination, the commissioner shall consider the availability of foster care capacity in the area in which the licensee seeks to operate, and the recommendation of the local county board. The determination by the commissioner must be final. A determination of need is not required for a change in ownership at the same address.

(c) When an adult resident served by the program moves out of a foster home that is not the primary residence of the license holder according to section 256B.49, subdivision 15, paragraph (f), or the adult community residential setting, the county shall immediately inform the Department of Human Services Licensing Division. The department may decrease the statewide licensed capacity for adult foster care settings.

(d) Residential settings that would otherwise be subject to the decreased license capacity established in paragraph (c) shall be exempt if the license holder's beds are occupied by residents whose primary diagnosis is mental illness and the license holder is certified under the requirements in subdivision 6a or section 245D.33.

(e) A resource need determination process, managed at the state level, using the available reports required by section 144A.351, and other data and information shall be used to determine where the reduced capacity determined under section 256B.493 will be implemented. The commissioner shall consult with the stakeholders described in section 144A.351, and employ a variety of methods to improve the state's capacity to meet the informed decisions of those people who want to move out of corporate foster care or community residential settings, long-term service needs within budgetary limits, including seeking proposals from service providers or lead agencies to change service type, capacity, or location to improve services, increase the independence of residents, and better meet needs identified by the long-term services and supports reports and statewide data and information.

(f) At the time of application and reapplication for licensure, the applicant and the license holder that are subject to the moratorium or an exclusion established in paragraph (a) are required to inform the commissioner whether the physical location where the foster care will be provided is or will be the primary residence of the license holder for the entire period of licensure. If the primary residence of the applicant or license holder changes, the applicant or license holder must notify the commissioner immediately. The commissioner shall print on the foster care license certificate whether or not the physical location is the primary residence of the license holder.

(g) License holders of foster care homes identified under paragraph (f) that are not the primary residence of the license holder and that also provide services in the foster care home that are covered by a federally approved home and community-based services waiver, as authorized under section 256B.0915, 256B.092, or 256B.49, must inform the human services licensing division that the license holder provides or intends to provide these waiver-funded services.

(h) The commissioner may adjust capacity to address needs identified in section 144A.351. Under this authority, the commissioner may approve new licensed settings or delicense existing settings. Delicensing of settings will be accomplished through a process identified in section 256B.493. Annually, by August 1, the commissioner shall provide information and data on capacity of licensed long-term services and supports, actions taken under the subdivision to manage statewide long-term services and supports resources, and any recommendations for change to the legislative committees with jurisdiction over the health and human services budget.

(i) The commissioner must notify a license holder when its corporate foster care or community residential setting licensed beds are reduced under this section. The notice of reduction of licensed beds must be in writing and delivered to the license holder by certified mail or personal service. The notice must state why the licensed beds are reduced and must inform the license holder of its right to request reconsideration by the commissioner. The license holder's request for reconsideration must be in writing. If mailed, the request for reconsideration must be postmarked and sent to the commissioner within 20 calendar days after the license holder's receipt of the notice of reduction of licensed beds. If a request for reconsideration is made by personal service, it must be received by the commissioner within 20 calendar days after the license holder's receipt of the notice of reduction of licensed beds.

(j) The commissioner shall not issue an initial license for children's residential treatment services licensed under Minnesota Rules, parts 2960.0580 to 2960.0700, under this chapter for a program that Centers for Medicare and Medicaid Services would consider an institution for mental diseases. Facilities that serve only private pay clients are exempt from the moratorium described in this paragraph. The commissioner has the authority to manage

existing statewide capacity for children's residential treatment services subject to the moratorium under this paragraph and may issue an initial license for such facilities if the initial license would not increase the statewide capacity for children's residential treatment services subject to the moratorium under this paragraph.

Sec. 2. Minnesota Statutes 2017 Supplement, section 245A.11, subdivision 2a, is amended to read:

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

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

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

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

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

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

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

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

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

(f) The commissioner may issue an adult foster care or community residential setting license with a capacity of five adults if the fifth bed does not increase the overall statewide capacity of licensed adult foster care or community residential setting beds in homes that are not the primary residence of the license holder, as identified in a plan submitted to the commissioner by the county, when the capacity is recommended by the county licensing agency of the county in which the facility is located and if the recommendation verifies that:

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

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

(i) individualized plan of care;

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

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

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

(4) the facility was licensed for adult foster care before ~~March 1, 2011~~ June 30, 2016.

(g) The commissioner shall not issue a new adult foster care license under paragraph (f) after June 30, ~~2019~~ 2021. The commissioner shall allow a facility with an adult foster care license issued under paragraph (f) before June 30, ~~2019~~ 2021, to continue with a capacity of five adults if the license holder continues to comply with the requirements in paragraph (f).

Sec. 3. Minnesota Statutes 2017 Supplement, section 245D.03, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** (a) The commissioner shall regulate the provision of home and community-based services to persons with disabilities and persons age 65 and older pursuant to this chapter. The licensing standards in this chapter govern the provision of basic support services and intensive support services.

(b) Basic support services provide the level of assistance, supervision, and care that is necessary to ensure the health and welfare of the person and do not include services that are specifically directed toward the training, treatment, habilitation, or rehabilitation of the person. Basic support services include:

(1) in-home and out-of-home respite care services as defined in section 245A.02, subdivision 15, and under the brain injury, community alternative care, community access for disability inclusion, developmental disability, and elderly waiver plans, excluding out-of-home respite care provided to children in a family child foster care home licensed under Minnesota Rules, parts 2960.3000 to 2960.3100, when the child foster care license holder complies with the requirements under section 245D.06, subdivisions 5, 6, 7, and 8, or successor provisions; and section 245D.061 or successor provisions, which must be stipulated in the statement of intended use required under Minnesota Rules, part 2960.3000, subpart 4;

(2) adult companion services as defined under the brain injury, community access for disability inclusion, community alternative care, and elderly waiver plans, excluding adult companion services provided under the Corporation for National and Community Services Senior Companion Program established under the Domestic Volunteer Service Act of 1973, Public Law 98-288;

(3) personal support as defined under the developmental disability waiver plan;

(4) 24-hour emergency assistance, personal emergency response as defined under the community access for disability inclusion and developmental disability waiver plans;

(5) night supervision services as defined under the brain injury, community access for disability inclusion, community alternative care, and developmental disability waiver ~~plan~~ plans;

(6) homemaker services as defined under the community access for disability inclusion, brain injury, community alternative care, developmental disability, and elderly waiver plans, excluding providers licensed by the Department of Health under chapter 144A and those providers providing cleaning services only; and

(7) individual community living support under section 256B.0915, subdivision 3j.

(c) Intensive support services provide assistance, supervision, and care that is necessary to ensure the health and welfare of the person and services specifically directed toward the training, habilitation, or rehabilitation of the person. Intensive support services include:

(1) intervention services, including:

(i) ~~behavioral~~ positive support services as defined under the brain injury ~~and~~, community access for disability inclusion, community alternative care, and developmental disability waiver plans;

(ii) in-home or out-of-home crisis respite services as defined under the brain injury, community access for disability inclusion, community alternative care, and developmental disability waiver ~~plan~~ plans; and

(iii) specialist services as defined under the current brain injury, community access for disability inclusion, community alternative care, and developmental disability waiver ~~plan~~ plans;

(2) in-home support services, including:

(i) in-home family support and supported living services as defined under the developmental disability waiver plan;

(ii) independent living services training as defined under the brain injury and community access for disability inclusion waiver plans;

(iii) semi-independent living services; and

(iv) individualized home supports services as defined under the brain injury, community alternative care, and community access for disability inclusion waiver plans;

(3) residential supports and services, including:

(i) supported living services as defined under the developmental disability waiver plan provided in a family or corporate child foster care residence, a family adult foster care residence, a community residential setting, or a supervised living facility;

(ii) foster care services as defined in the brain injury, community alternative care, and community access for disability inclusion waiver plans provided in a family or corporate child foster care residence, a family adult foster care residence, or a community residential setting; and

(iii) residential services provided to more than four persons with developmental disabilities in a supervised living facility, including ICFs/DD;

(4) day services, including:

(i) structured day services as defined under the brain injury waiver plan;

(ii) day training and habilitation services under sections 252.41 to 252.46, and as defined under the developmental disability waiver plan; and

(iii) prevocational services as defined under the brain injury and community access for disability inclusion waiver plans; and

(5) employment exploration services as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disability waiver plans;

(6) employment development services as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disability waiver plans; and

(7) employment support services as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disability waiver plans.

Sec. 4. Minnesota Statutes 2016, section 245D.071, subdivision 5, is amended to read:

Subd. 5. **Service plan review and evaluation.** (a) The license holder must give the person or the person's legal representative and case manager an opportunity to participate in the ongoing review and development of the service plan and the methods used to support the person and accomplish outcomes identified in subdivisions 3 and 4. At least once per year, or within 30 days of a written request by the person, the person's legal representative, or the case manager, the license holder, in coordination with the person's support team or expanded support team, must meet with the person, the person's legal representative, and the case manager, and participate in service plan review meetings following stated timelines established in the person's coordinated service and support plan or coordinated service and support plan addendum ~~or within 30 days of a written request by the person, the person's legal representative, or the case manager, at a minimum of once per year.~~ The purpose of the service plan review is to determine whether changes are needed to the service plan based on the assessment information, the license holder's evaluation of progress towards accomplishing outcomes, or other information provided by the support team or expanded support team.

(b) At least once per year, the license holder, in coordination with the person's support team or expanded support team, must meet with the person, the person's legal representative, and the case manager to discuss how technology might be used to meet the person's desired outcomes. The coordinated service and support plan or support plan addendum must include a summary of this discussion. The summary must include a statement regarding any decision made related to the use of technology and a description of any further research that must be completed before a decision regarding the use of technology can be made. Nothing in this paragraph requires the coordinated service and support plan to include the use of technology for the provision of services.

~~(b)~~ (c) The license holder must summarize the person's status and progress toward achieving the identified outcomes and make recommendations and identify the rationale for changing, continuing, or discontinuing implementation of supports and methods identified in subdivision 4 in a report available at the time of the progress review meeting. The report must be sent at least five working days prior to the progress review meeting if requested by the team in the coordinated service and support plan or coordinated service and support plan addendum.

~~(c)~~ (d) The license holder must send the coordinated service and support plan addendum to the person, the person's legal representative, and the case manager by mail within ten working days of the progress review meeting. Within ten working days of the mailing of the coordinated service and support plan addendum, the license holder must obtain dated signatures from the person or the person's legal representative and the case manager to document approval of any changes to the coordinated service and support plan addendum.

(d) (e) If, within ten working days of submitting changes to the coordinated service and support plan and coordinated service and support plan addendum, the person or the person's legal representative or case manager has not signed and returned to the license holder the coordinated service and support plan or coordinated service and support plan addendum or has not proposed written modifications to the license holder's submission, the submission is deemed approved and the coordinated service and support plan addendum becomes effective and remains in effect until the legal representative or case manager submits a written request to revise the coordinated service and support plan addendum.

Sec. 5. Minnesota Statutes 2016, section 245D.091, subdivision 2, is amended to read:

Subd. 2. **Behavior Positive support professional qualifications.** A ~~behavior positive support~~ professional providing ~~behavioral positive~~ support services as identified in section 245D.03, subdivision 1, paragraph (c), clause (1), item (i), must have competencies in the following areas as required under the brain injury ~~and~~ community access for disability inclusion, community alternative care, and developmental disability waiver plans or successor plans:

- (1) ethical considerations;
- (2) functional assessment;
- (3) functional analysis;
- (4) measurement of behavior and interpretation of data;
- (5) selecting intervention outcomes and strategies;
- (6) behavior reduction and elimination strategies that promote least restrictive approved alternatives;
- (7) data collection;
- (8) staff and caregiver training;
- (9) support plan monitoring;
- (10) co-occurring mental disorders or neurocognitive disorder;
- (11) demonstrated expertise with populations being served; and
- (12) must be a:

(i) psychologist licensed under sections 148.88 to 148.98, who has stated to the Board of Psychology competencies in the above identified areas;

(ii) clinical social worker licensed as an independent clinical social worker under chapter 148D, or a person with a master's degree in social work from an accredited college or university, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services in the areas identified in clauses (1) to (11);

(iii) physician licensed under chapter 147 and certified by the American Board of Psychiatry and Neurology or eligible for board certification in psychiatry with competencies in the areas identified in clauses (1) to (11);

(iv) licensed professional clinical counselor licensed under sections 148B.29 to 148B.39 with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services who has demonstrated competencies in the areas identified in clauses (1) to (11);

(v) person with a master's degree from an accredited college or university in one of the behavioral sciences or related fields, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services with demonstrated competencies in the areas identified in clauses (1) to (11); ~~or~~

(vi) person with a master's degree or PhD in one of the behavioral sciences or related fields with demonstrated expertise in positive support services, as determined by the person's case manager based on the person's needs as outlined in the person's community support plan; or

(vii) registered nurse who is licensed under sections 148.171 to 148.285, and who is certified as a clinical specialist or as a nurse practitioner in adult or family psychiatric and mental health nursing by a national nurse certification organization, or who has a master's degree in nursing or one of the behavioral sciences or related fields from an accredited college or university or its equivalent, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services.

Sec. 6. Minnesota Statutes 2016, section 245D.091, subdivision 3, is amended to read:

Subd. 3. **Behavior Positive support analyst qualifications.** (a) A ~~behavior~~ positive support analyst providing ~~behavioral~~ positive support services as identified in section 245D.03, subdivision 1, paragraph (c), clause (1), item (i), must have competencies in the following areas as required under the brain injury ~~and~~ community access for disability inclusion, community alternative care, and developmental disability waiver plans or successor plans:

(1) have obtained a baccalaureate degree, master's degree, or PhD in a social services discipline; ~~or~~

(2) meet the qualifications of a mental health practitioner as defined in section 245.462, subdivision 17; ~~or~~

(3) be a board certified behavior analyst or board certified assistant behavior analyst by the Behavior Analyst Certification Board, Incorporated.

(b) In addition, a ~~behavior~~ positive support analyst must:

(1) have four years of supervised experience ~~working with individuals who exhibit challenging behaviors as well as co-occurring mental disorders or neurocognitive disorder~~ conducting functional behavior assessments and designing, implementing, and evaluating effectiveness of positive practices behavior support strategies for people who exhibit challenging behaviors as well as co-occurring mental disorders and neurocognitive disorder;

(2) have received ~~ten hours of instruction in functional assessment and functional analysis;~~ training prior to hire or within 90 calendar days of hire that includes:

(i) ten hours of instruction in functional assessment and functional analysis;

(ii) 20 hours of instruction in the understanding of the function of behavior;

(iii) ten hours of instruction on design of positive practices behavior support strategies;

(iv) 20 hours of instruction preparing written intervention strategies, designing data collection protocols, training other staff to implement positive practice strategies, summarizing and reporting program evaluation data, analyzing program evaluation data to identify design flaws in behavioral interventions or failures in implementation fidelity, and recommending enhancements based on evaluation data; and

(v) eight hours of instruction on principles of person-centered thinking;

~~(3) have received 20 hours of instruction in the understanding of the function of behavior;~~

~~(4) have received ten hours of instruction on design of positive practices behavior support strategies;~~

~~(5) have received 20 hours of instruction on the use of behavior reduction approved strategies used only in combination with behavior positive practices strategies;~~

~~(6)~~ (3) be determined by a behavior positive support professional to have the training and prerequisite skills required to provide positive practice strategies as well as behavior reduction approved and permitted intervention to the person who receives behavioral positive support; and

~~(7)~~ (4) be under the direct supervision of a behavior positive support professional.

(c) Meeting the qualifications for a positive support professional under subdivision 2 shall substitute for meeting the qualifications listed in paragraph (b).

Sec. 7. Minnesota Statutes 2016, section 245D.091, subdivision 4, is amended to read:

Subd. 4. **Behavior Positive support specialist qualifications.** (a) A behavior positive support specialist providing behavioral positive support services as identified in section 245D.03, subdivision 1, paragraph (c), clause (1), item (i), must have competencies in the following areas as required under the brain injury ~~and~~, community access for disability inclusion, community alternative care, and developmental disability waiver plans or successor plans:

(1) have an associate's degree in a social services discipline; or

(2) have two years of supervised experience working with individuals who exhibit challenging behaviors as well as co-occurring mental disorders or neurocognitive disorder.

(b) In addition, a behavior specialist must:

(1) have received training prior to hire or within 90 calendar days of hire that includes:

(i) a minimum of four hours of training in functional assessment;

~~(2) have received~~ (ii) 20 hours of instruction in the understanding of the function of behavior;

~~(3) have received~~ (iii) ten hours of instruction on design of positive practices behavioral support strategies; and

(iv) eight hours of instruction on principles of person-centered thinking;

~~(4)~~ (2) be determined by a behavior positive support professional to have the training and prerequisite skills required to provide positive practices strategies as well as behavior reduction approved intervention to the person who receives behavioral positive support; and

~~(5)~~ (3) be under the direct supervision of a ~~behavior~~ positive support professional.

(c) Meeting the qualifications for a positive support professional under subdivision 2 shall substitute for meeting the qualifications listed in paragraphs (a) and (b).

Sec. 8. Minnesota Statutes 2017 Supplement, section 252.41, subdivision 3, is amended to read:

Subd. 3. **Day training and habilitation services for adults with developmental disabilities.** (a) "Day training and habilitation services for adults with developmental disabilities" means services that:

(1) include supervision, training, assistance, center-based work-related activities, or other community-integrated activities designed and implemented in accordance with the individual service and individual habilitation plans required under Minnesota Rules, parts 9525.0004 to 9525.0036, to help an adult reach and maintain the highest possible level of independence, productivity, and integration into the community; and

(2) are provided by a vendor licensed under sections 245A.01 to 245A.16 and 252.28, subdivision 2, to provide day training and habilitation services.

(b) Day training and habilitation services reimbursable under this section do not include special education and related services as defined in the Education of the Individuals with Disabilities Act, United States Code, title 20, chapter 33, section 1401, clauses (6) and (17), or vocational services funded under section 110 of the Rehabilitation Act of 1973, United States Code, title 29, section 720, as amended.

(c) Except for specified service units authorized and provided in the transition period defined in section 256B.4913, subdivision 7, paragraph (b), day training and habilitation services do not include employment exploration, employment development, or employment support services as defined in the home and community-based services waivers for people with disabilities authorized under sections 256B.092 and 256B.49.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2018.

Sec. 9. Minnesota Statutes 2016, section 256B.0625, is amended by adding a subdivision to read:

Subd. 65. **Prescribed pediatric extended care center services.** Medical assistance covers prescribed pediatric extended care center basic services as defined under section 144H.01, subdivision 2. The commissioner shall set two payment rates for basic services provided at prescribed pediatric extended care centers licensed under chapter 144H: (1) a \$250 half-day rate per child attending a prescribed pediatric extended care center for less than four hours per day; and (2) a \$500 full-day rate per child attending a prescribed pediatric extended care center for four hours or more per day. The rates established in this subdivision may be reevaluated by the commissioner two years after the effective date of this subdivision.

EFFECTIVE DATE. This section is effective January 1, 2019, or upon federal approval, whichever occurs later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 10. Minnesota Statutes 2016, section 256B.0659, subdivision 11, is amended to read:

Subd. 11. **Personal care assistant; requirements.** (a) A personal care assistant must meet the following requirements:

(1) be at least 18 years of age with the exception of persons who are 16 or 17 years of age with these additional requirements:

- (i) supervision by a qualified professional every 60 days; and
 - (ii) employment by only one personal care assistance provider agency responsible for compliance with current labor laws;
- (2) be employed by a personal care assistance provider agency;
- (3) enroll with the department as a personal care assistant after clearing a background study. Except as provided in subdivision 11a, before a personal care assistant provides services, the personal care assistance provider agency must initiate a background study on the personal care assistant under chapter 245C, and the personal care assistance provider agency must have received a notice from the commissioner that the personal care assistant is:
- (i) not disqualified under section 245C.14; or
 - (ii) is disqualified, but the personal care assistant has received a set aside of the disqualification under section 245C.22;
- (4) be able to effectively communicate with the recipient and personal care assistance provider agency;
- (5) be able to provide covered personal care assistance services according to the recipient's personal care assistance care plan, respond appropriately to recipient needs, and report changes in the recipient's condition to the supervising qualified professional or physician;
- (6) not be a consumer of personal care assistance services;
- (7) maintain daily written records including, but not limited to, time sheets under subdivision 12;
- (8) effective January 1, 2010, complete standardized training as determined by the commissioner before completing enrollment. The training must be available in languages other than English and to those who need accommodations due to disabilities. Personal care assistant training must include successful completion of the following training components: basic first aid, vulnerable adult, child maltreatment, OSHA universal precautions, basic roles and responsibilities of personal care assistants including information about assistance with lifting and transfers for recipients, emergency preparedness, orientation to positive behavioral practices, fraud issues, and completion of time sheets. Upon completion of the training components, the personal care assistant must demonstrate the competency to provide assistance to recipients;
- (9) complete training and orientation on the needs of the recipient; and
- (10) be limited to providing and being paid for up to 275 hours per month of personal care assistance services regardless of the number of recipients being served or the number of personal care assistance provider agencies enrolled with. The number of hours worked per day shall not be disallowed by the department unless in violation of the law.
- (b) A legal guardian may be a personal care assistant if the guardian is not being paid for the guardian services and meets the criteria for personal care assistants in paragraph (a).
- (c) Persons who do not qualify as a personal care assistant include parents, stepparents, and legal guardians of minors; spouses; paid legal guardians of adults; family foster care providers, except as otherwise allowed in section 256B.0625, subdivision 19a; and staff of a residential setting.

(d) Personal care services qualify for the enhanced rate described in subdivision 17a if the personal care assistant providing the services:

(1) provides services, according to the care plan in subdivision 7, to a recipient who qualifies for 12 or more hours per day of PCA services; and

(2) satisfies the current requirements of Medicare for training and competency or competency evaluation of home health aides or nursing assistants, as provided in the Code of Federal Regulations, title 42, section 483.151 or 484.36, or alternative state approved training or competency requirements.

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 11. Minnesota Statutes 2016, section 256B.0659, is amended by adding a subdivision to read:

Subd. 17a. **Enhanced rate.** An enhanced rate of 105 percent of the rate paid for PCA services shall be paid for services provided to persons who qualify for 12 or more hours of PCA service per day when provided by a PCA who meets the requirements of subdivision 11, paragraph (d). The enhanced rate for PCA services includes, and is not in addition to, any rate adjustments implemented by the commissioner on July 1, 2018, to comply with the terms of a collective bargaining agreement between the state of Minnesota and an exclusive representative of individual providers under section 179A.54 that provides for wage increases for individual providers who serve participants assessed to need 12 or more hours of PCA services per day.

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 12. Minnesota Statutes 2016, section 256B.0659, subdivision 21, is amended to read:

Subd. 21. **Requirements for provider enrollment of personal care assistance provider agencies.** (a) All personal care assistance provider agencies must provide, at the time of enrollment, reenrollment, and revalidation as a personal care assistance provider agency in a format determined by the commissioner, information and documentation that includes, but is not limited to, the following:

(1) the personal care assistance provider agency's current contact information including address, telephone number, and e-mail address;

(2) proof of surety bond coverage. Upon new enrollment, or if the provider's Medicaid revenue in the previous calendar year is up to and including \$300,000, the provider agency must purchase a surety bond of \$50,000. If the Medicaid revenue in the previous year is over \$300,000, the provider agency must purchase a surety bond of \$100,000. The surety bond must be in a form approved by the commissioner, must be renewed annually, and must allow for recovery of costs and fees in pursuing a claim on the bond;

(3) proof of fidelity bond coverage in the amount of \$20,000;

(4) proof of workers' compensation insurance coverage;

(5) proof of liability insurance;

(6) a description of the personal care assistance provider agency's organization identifying the names of all owners, managing employees, staff, board of directors, and the affiliations of the directors, owners, or staff to other service providers;

(7) a copy of the personal care assistance provider agency's written policies and procedures including: hiring of employees; training requirements; service delivery; and employee and consumer safety including process for notification and resolution of consumer grievances, identification and prevention of communicable diseases, and employee misconduct;

(8) copies of all other forms the personal care assistance provider agency uses in the course of daily business including, but not limited to:

(i) a copy of the personal care assistance provider agency's time sheet if the time sheet varies from the standard time sheet for personal care assistance services approved by the commissioner, and a letter requesting approval of the personal care assistance provider agency's nonstandard time sheet;

(ii) the personal care assistance provider agency's template for the personal care assistance care plan; and

(iii) the personal care assistance provider agency's template for the written agreement in subdivision 20 for recipients using the personal care assistance choice option, if applicable;

(9) a list of all training and classes that the personal care assistance provider agency requires of its staff providing personal care assistance services;

(10) documentation that the personal care assistance provider agency and staff have successfully completed all the training required by this section, including the requirements under subdivision 11, paragraph (d), if enhanced PCA services are provided and submitted for an enhanced rate under subdivision 17a;

(11) documentation of the agency's marketing practices;

(12) disclosure of ownership, leasing, or management of all residential properties that is used or could be used for providing home care services;

(13) documentation that the agency will use the following percentages of revenue generated from the medical assistance rate paid for personal care assistance services for employee personal care assistant wages and benefits: 72.5 percent of revenue in the personal care assistance choice option and 72.5 percent of revenue from other personal care assistance providers. The revenue generated by the qualified professional and the reasonable costs associated with the qualified professional shall not be used in making this calculation; and

(14) effective May 15, 2010, documentation that the agency does not burden recipients' free exercise of their right to choose service providers by requiring personal care assistants to sign an agreement not to work with any particular personal care assistance recipient or for another personal care assistance provider agency after leaving the agency and that the agency is not taking action on any such agreements or requirements regardless of the date signed.

(b) Personal care assistance provider agencies shall provide the information specified in paragraph (a) to the commissioner at the time the personal care assistance provider agency enrolls as a vendor or upon request from the commissioner. The commissioner shall collect the information specified in paragraph (a) from all personal care assistance providers beginning July 1, 2009.

(c) All personal care assistance provider agencies shall require all employees in management and supervisory positions and owners of the agency who are active in the day-to-day management and operations of the agency to complete mandatory training as determined by the commissioner before enrollment of the agency as a provider. Employees in management and supervisory positions and owners who are active in the day-to-day operations of an agency who have completed the required training as an employee with a personal care assistance provider agency do

not need to repeat the required training if they are hired by another agency, if they have completed the training within the past three years. By September 1, 2010, the required training must be available with meaningful access according to title VI of the Civil Rights Act and federal regulations adopted under that law or any guidance from the United States Health and Human Services Department. The required training must be available online or by electronic remote connection. The required training must provide for competency testing. Personal care assistance provider agency billing staff shall complete training about personal care assistance program financial management. This training is effective July 1, 2009. Any personal care assistance provider agency enrolled before that date shall, if it has not already, complete the provider training within 18 months of July 1, 2009. Any new owners or employees in management and supervisory positions involved in the day-to-day operations are required to complete mandatory training as a requisite of working for the agency. Personal care assistance provider agencies certified for participation in Medicare as home health agencies are exempt from the training required in this subdivision. When available, Medicare-certified home health agency owners, supervisors, or managers must successfully complete the competency test.

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 13. Minnesota Statutes 2016, section 256B.0659, subdivision 24, is amended to read:

Subd. 24. **Personal care assistance provider agency; general duties.** A personal care assistance provider agency shall:

- (1) enroll as a Medicaid provider meeting all provider standards, including completion of the required provider training;
- (2) comply with general medical assistance coverage requirements;
- (3) demonstrate compliance with law and policies of the personal care assistance program to be determined by the commissioner;
- (4) comply with background study requirements;
- (5) verify and keep records of hours worked by the personal care assistant and qualified professional;
- (6) not engage in any agency-initiated direct contact or marketing in person, by phone, or other electronic means to potential recipients, guardians, or family members;
- (7) pay the personal care assistant and qualified professional based on actual hours of services provided;
- (8) withhold and pay all applicable federal and state taxes;
- (9) ~~effective January 1, 2010,~~ document that the agency uses a minimum of 72.5 percent of the revenue generated by the medical assistance rate for personal care assistance services for employee personal care assistant wages and benefits. The revenue generated by the qualified professional and the reasonable costs associated with the qualified professional shall not be used in making this calculation;
- (10) make the arrangements and pay unemployment insurance, taxes, workers' compensation, liability insurance, and other benefits, if any;
- (11) enter into a written agreement under subdivision 20 before services are provided;
- (12) report suspected neglect and abuse to the common entry point according to section 256B.0651;

(13) provide the recipient with a copy of the home care bill of rights at start of service; ~~and~~

(14) request reassessments at least 60 days prior to the end of the current authorization for personal care assistance services, on forms provided by the commissioner; and

(15) document that the agency uses the additional revenue due to the enhanced rate under subdivision 17a for the wages and benefits of the PCAs whose services meet the requirements under subdivision 11, paragraph (d).

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 14. Minnesota Statutes 2016, section 256B.0659, subdivision 28, is amended to read:

Subd. 28. **Personal care assistance provider agency; required documentation.** (a) Required documentation must be completed and kept in the personal care assistance provider agency file or the recipient's home residence. The required documentation consists of:

(1) employee files, including:

(i) applications for employment;

(ii) background study requests and results;

(iii) orientation records about the agency policies;

(iv) trainings completed with demonstration of competence, including verification of the completion of training required under subdivision 11, paragraph (d), for any billing of the enhanced rate under subdivision 17a;

(v) supervisory visits;

(vi) evaluations of employment; and

(vii) signature on fraud statement;

(2) recipient files, including:

(i) demographics;

(ii) emergency contact information and emergency backup plan;

(iii) personal care assistance service plan;

(iv) personal care assistance care plan;

(v) month-to-month service use plan;

(vi) all communication records;

(vii) start of service information, including the written agreement with recipient; and

(viii) date the home care bill of rights was given to the recipient;

(3) agency policy manual, including:

(i) policies for employment and termination;

(ii) grievance policies with resolution of consumer grievances;

(iii) staff and consumer safety;

(iv) staff misconduct; and

(v) staff hiring, service delivery, staff and consumer safety, staff misconduct, and resolution of consumer grievances;

(4) time sheets for each personal care assistant along with completed activity sheets for each recipient served; and

(5) agency marketing and advertising materials and documentation of marketing activities and costs.

(b) The commissioner may assess a fine of up to \$500 on provider agencies that do not consistently comply with the requirements of this subdivision.

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 15. Minnesota Statutes 2017 Supplement, section 256B.0921, is amended to read:

256B.0921 HOME AND COMMUNITY-BASED SERVICES INCENTIVE INNOVATION POOL.

The commissioner of human services shall develop an initiative to provide incentives for innovation in: (1) achieving integrated competitive employment; (2) achieving integrated competitive employment for youth under age 25 upon their graduation from school; (3) living in the most integrated setting; and (4) other outcomes determined by the commissioner. The commissioner shall seek requests for proposals and shall contract with one or more entities to provide incentive payments for meeting identified outcomes.

Sec. 16. Minnesota Statutes 2017 Supplement, section 256B.4913, subdivision 7, is amended to read:

Subd. 7. **New services.** (a) A service added to section 256B.4914 after January 1, 2014, is not subject to rate stabilization adjustment in this section.

(b) The commissioner shall implement the new services in section 256B.4914, subdivision 3, clauses (23), (24), and (25). Transition to the new services shall occur as service agreements renew or service plans change, except that service authorizations of daily units of day training and habilitation services and prevocational services that have rates subject to rate stabilization under this section as of July 1, 2018, shall transition service unit authorizations that fall under the new services in section 256B.4914, subdivision 3, clauses (23), (24), and (25), on June 30, 2019.

(c) Service authorizations that include the delayed transition under paragraph (b) shall not also authorize and bill for the new services in section 256B.4914, subdivision 3, clauses (23), (24), and (25), on the same day that a daily unit or partial day unit of day training and habilitation services or prevocational services is billed.

EFFECTIVE DATE. This section is effective July 1, 2018, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 17. Minnesota Statutes 2017 Supplement, section 256B.4914, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the meanings given them, unless the context clearly indicates otherwise.

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

(c) "Component value" means underlying factors that are part of the cost of providing services that are built into the waiver rates methodology to calculate service rates.

(d) "Customized living tool" means a methodology for setting service rates that delineates and documents the amount of each component service included in a recipient's customized living service plan.

(e) "Direct care staff" means employees providing direct service provision to people receiving services under this section. Direct care staff does not include executive, managerial, and administrative staff.

(f) "Disability waiver rates system" means a statewide system that establishes rates that are based on uniform processes and captures the individualized nature of waiver services and recipient needs.

~~(g)~~ (g) "Individual staffing" means the time spent as a one-to-one interaction specific to an individual recipient by staff to provide direct support and assistance with activities of daily living, instrumental activities of daily living, and training to participants, and is based on the requirements in each individual's coordinated service and support plan under section 245D.02, subdivision 4b; any coordinated service and support plan addendum under section 245D.02, subdivision 4c; and an assessment tool. Provider observation of an individual's needs must also be considered.

~~(h)~~ (h) "Lead agency" means a county, partnership of counties, or tribal agency charged with administering waived services under sections 256B.092 and 256B.49.

~~(i)~~ (i) "Median" means the amount that divides distribution into two equal groups, one-half above the median and one-half below the median.

~~(j)~~ (j) "Payment or rate" means reimbursement to an eligible provider for services provided to a qualified individual based on an approved service authorization.

~~(k)~~ (k) "Rates management system" means a Web-based software application that uses a framework and component values, as determined by the commissioner, to establish service rates.

~~(l)~~ (l) "Recipient" means a person receiving home and community-based services funded under any of the disability waivers.

~~(m)~~ (m) "Shared staffing" means time spent by employees, not defined under paragraph ~~(g)~~ (g), providing or available to provide more than one individual with direct support and assistance with activities of daily living as defined under section 256B.0659, subdivision 1, paragraph (b); instrumental activities of daily living as defined under section 256B.0659, subdivision 1, paragraph (i); ancillary activities needed to support individual services; and training to participants, and is based on the requirements in each individual's coordinated service and support plan under section 245D.02, subdivision 4b; any coordinated service and support plan addendum under section 245D.02, subdivision 4c; an assessment tool; and provider observation of an individual's service need. Total shared staffing hours are divided proportionally by the number of individuals who receive the shared service provisions.

~~(m)~~ (n) "Staffing ratio" means the number of recipients a service provider employee supports during a unit of service based on a uniform assessment tool, provider observation, case history, and the recipient's services of choice, and not based on the staffing ratios under section 245D.31.

~~(n)~~ (o) "Unit of service" means the following:

(1) for residential support services under subdivision 6, a unit of service is a day. Any portion of any calendar day, within allowable Medicaid rules, where an individual spends time in a residential setting is billable as a day;

(2) for day services under subdivision 7:

(i) for day training and habilitation services, a unit of service is either:

(A) a day unit of service is defined as six or more hours of time spent providing direct services and transportation; or

(B) a partial day unit of service is defined as fewer than six hours of time spent providing direct services and transportation; and

(C) for new day service recipients after January 1, 2014, 15 minute units of service must be used for fewer than six hours of time spent providing direct services and transportation;

(ii) for adult day and structured day services, a unit of service is a day or 15 minutes. A day unit of service is six or more hours of time spent providing direct services;

(iii) for prevocational services, a unit of service is a day or an hour. A day unit of service is six or more hours of time spent providing direct service;

(3) for unit-based services with programming under subdivision 8:

(i) for supported living services, a unit of service is a day or 15 minutes. When a day rate is authorized, any portion of a calendar day where an individual receives services is billable as a day; and

(ii) for all other services, a unit of service is 15 minutes; and

(4) for unit-based services without programming under subdivision 9, a unit of service is 15 minutes.

Sec. 18. Minnesota Statutes 2017 Supplement, section 256B.4914, subdivision 3, is amended to read:

Subd. 3. **Applicable services.** Applicable services are those authorized under the state's home and community-based services waivers under sections 256B.092 and 256B.49, including the following, as defined in the federally approved home and community-based services plan:

(1) 24-hour customized living;

(2) adult day care;

(3) adult day care bath;

~~(4) behavioral programming;~~

- ~~(5)~~ (4) companion services;
- ~~(6)~~ (5) customized living;
- ~~(7)~~ (6) day training and habilitation;
- (7) employment development services;
- (8) employment exploration services;
- (9) employment support services;
- ~~(8)~~ (10) housing access coordination;
- ~~(9)~~ (11) independent living skills;
- (12) independent living skills specialist services;
- (13) individualized home supports;
- ~~(10)~~ (14) in-home family support;
- ~~(11)~~ (15) night supervision;
- ~~(12)~~ (16) personal support;
- (17) positive support service;
- ~~(13)~~ (18) prevocational services;
- ~~(14)~~ (19) residential care services;
- ~~(15)~~ (20) residential support services;
- ~~(16)~~ (21) respite services;
- ~~(17)~~ (22) structured day services;
- ~~(18)~~ (23) supported employment services;
- ~~(19)~~ (24) supported living services;
- ~~(20)~~ (25) transportation services;
- ~~(21) individualized home supports;~~
- ~~(22) independent living skills specialist services;~~
- ~~(23) employment exploration services;~~

~~(24) employment development services;~~

~~(25) employment support services; and~~

(26) other services as approved by the federal government in the state home and community-based services plan.

Sec. 19. Minnesota Statutes 2016, section 256B.4914, subdivision 4, is amended to read:

Subd. 4. **Data collection for rate determination.** (a) Rates for applicable home and community-based waived services, including rate exceptions under subdivision 12, are set by the rates management system.

(b) Data for services under section 256B.4913, subdivision 4a, shall be collected in a manner prescribed by the commissioner.

(c) Data and information in the rates management system may be used to calculate an individual's rate.

(d) Service providers, with information from the community support plan and oversight by lead agencies, shall provide values and information needed to calculate an individual's rate into the rates management system. The determination of service levels must be part of a discussion with members of the support team as defined in section 245D.02, subdivision 34. This discussion must occur prior to the final establishment of each individual's rate. The values and information include:

(1) shared staffing hours;

(2) individual staffing hours;

(3) direct registered nurse hours;

(4) direct licensed practical nurse hours;

(5) staffing ratios;

(6) information to document variable levels of service qualification for variable levels of reimbursement in each framework;

(7) shared or individualized arrangements for unit-based services, including the staffing ratio;

(8) number of trips and miles for transportation services; and

(9) service hours provided through monitoring technology.

(e) Updates to individual data must include:

(1) data for each individual that is updated annually when renewing service plans; and

(2) requests by individuals or lead agencies to update a rate whenever there is a change in an individual's service needs, with accompanying documentation.

(f) Lead agencies shall review and approve all services reflecting each individual's needs, and the values to calculate the final payment rate for services with variables under subdivisions 6, 7, 8, and 9 for each individual. Lead agencies must notify the individual and the service provider of the final agreed-upon values and rate, and

provide information that is identical to what was entered into the rates management system. If a value used was mistakenly or erroneously entered and used to calculate a rate, a provider may petition lead agencies to correct it. Lead agencies must respond to these requests. When responding to the request, the lead agency must consider:

(1) meeting the health and welfare needs of the individual or individuals receiving services by service site, identified in their coordinated service and support plan under section 245D.02, subdivision 4b, and any addendum under section 245D.02, subdivision 4c;

(2) meeting the requirements for staffing under subdivision 2, paragraphs ~~(f)~~ (g), ~~(i)~~ (m), and ~~(m)~~ (n); and meeting or exceeding the licensing standards for staffing required under section 245D.09, subdivision 1; and

(3) meeting the staffing ratio requirements under subdivision 2, paragraph (n), and meeting or exceeding the licensing standards for staffing required under section 245D.31.

(g) To aid in the transition required in section 256B.4913, subdivision 7, paragraph (b), discussion of transition to the new services in subdivision 3, clauses (23), (24), and (25), shall be a part of the service planning process. Lead agencies authorizing daily units of day training and habilitation services and prevocational services shall enter information into the rate management system indicating the average units of employment development services, employment exploration services, and employment support services that are expected to be provided within the transition period daily rate.

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 20. Minnesota Statutes 2017 Supplement, section 256B.4914, subdivision 5, is amended to read:

Subd. 5. **Base wage index and standard component values.** (a) The base wage index is established to determine staffing costs associated with providing services to individuals receiving home and community-based services. For purposes of developing and calculating the proposed base wage, Minnesota-specific wages taken from job descriptions and standard occupational classification (SOC) codes from the Bureau of Labor Statistics as defined in the most recent edition of the Occupational Handbook must be used. The base wage index must be calculated as follows:

(1) for residential direct care staff, the sum of:

(i) 15 percent of the subtotal of 50 percent of the median wage for personal and home health aide (SOC code 39-9021); 30 percent of the median wage for nursing assistant (SOC code 31-1014); and 20 percent of the median wage for social and human services aide (SOC code 21-1093); and

(ii) 85 percent of the subtotal of 20 percent of the median wage for home health aide (SOC code 31-1011); 20 percent of the median wage for personal and home health aide (SOC code 39-9021); 20 percent of the median wage for nursing assistant (SOC code 31-1014); 20 percent of the median wage for psychiatric technician (SOC code 29-2053); and 20 percent of the median wage for social and human services aide (SOC code 21-1093);

(2) for day services, 20 percent of the median wage for nursing assistant (SOC code 31-1014); 20 percent of the median wage for psychiatric technician (SOC code 29-2053); and 60 percent of the median wage for social and human services aide (SOC code 21-1093);

(3) for residential asleep-overnight staff, the wage is the minimum wage in Minnesota for large employers, except in a family foster care setting, the wage is 36 percent of the minimum wage in Minnesota for large employers;

(4) for behavior program analyst staff, 100 percent of the median wage for mental health counselors (SOC code 21-1014);

(5) for behavior program professional staff, 100 percent of the median wage for clinical counseling and school psychologist (SOC code 19-3031);

(6) for behavior program specialist staff, 100 percent of the median wage for psychiatric technicians (SOC code 29-2053);

(7) for supportive living services staff, 20 percent of the median wage for nursing assistant (SOC code 31-1014); 20 percent of the median wage for psychiatric technician (SOC code 29-2053); and 60 percent of the median wage for social and human services aide (SOC code 21-1093);

(8) for housing access coordination staff, 100 percent of the median wage for community and social services specialist (SOC code 21-1099);

(9) for in-home family support staff, 20 percent of the median wage for nursing aide (SOC code 31-1012); 30 percent of the median wage for community social service specialist (SOC code 21-1099); 40 percent of the median wage for social and human services aide (SOC code 21-1093); and ten percent of the median wage for psychiatric technician (SOC code 29-2053);

(10) for individualized home supports services staff, 40 percent of the median wage for community social service specialist (SOC code 21-1099); 50 percent of the median wage for social and human services aide (SOC code 21-1093); and ten percent of the median wage for psychiatric technician (SOC code 29-2053);

(11) for independent living skills staff, 40 percent of the median wage for community social service specialist (SOC code 21-1099); 50 percent of the median wage for social and human services aide (SOC code 21-1093); and ten percent of the median wage for psychiatric technician (SOC code 29-2053);

(12) for independent living skills specialist staff, 100 percent of mental health and substance abuse social worker (SOC code 21-1023);

(13) for supported employment staff, 20 percent of the median wage for nursing assistant (SOC code 31-1014); 20 percent of the median wage for psychiatric technician (SOC code 29-2053); and 60 percent of the median wage for social and human services aide (SOC code 21-1093);

(14) for employment support services staff, 50 percent of the median wage for rehabilitation counselor (SOC code 21-1015); and 50 percent of the median wage for community and social services specialist (SOC code 21-1099);

(15) for employment exploration services staff, 50 percent of the median wage for rehabilitation counselor (SOC code 21-1015); and 50 percent of the median wage for community and social services specialist (SOC code 21-1099);

(16) for employment development services staff, 50 percent of the median wage for education, guidance, school, and vocational counselors (SOC code 21-1012); and 50 percent of the median wage for community and social services specialist (SOC code 21-1099);

(17) for adult companion staff, 50 percent of the median wage for personal and home care aide (SOC code 39-9021); and 50 percent of the median wage for nursing assistant (SOC code 31-1014);

(18) for night supervision staff, 20 percent of the median wage for home health aide (SOC code 31-1011); 20 percent of the median wage for personal and home health aide (SOC code 39-9021); 20 percent of the median wage for nursing assistant (SOC code 31-1014); 20 percent of the median wage for psychiatric technician (SOC code 29-2053); and 20 percent of the median wage for social and human services aide (SOC code 21-1093);

(19) for respite staff, 50 percent of the median wage for personal and home care aide (SOC code 39-9021); and 50 percent of the median wage for nursing assistant (SOC code 31-1014);

(20) for personal support staff, 50 percent of the median wage for personal and home care aide (SOC code 39-9021); and 50 percent of the median wage for nursing assistant (SOC code 31-1014);

(21) for supervisory staff, 100 percent of the median wage for community and social services specialist (SOC code 21-1099), with the exception of the supervisor of behavior professional, behavior analyst, and behavior specialists, which is 100 percent of the median wage for clinical counseling and school psychologist (SOC code 19-3031);

(22) for registered nurse staff, 100 percent of the median wage for registered nurses (SOC code 29-1141); and

(23) for licensed practical nurse staff, 100 percent of the median wage for licensed practical nurses (SOC code 29-2061).

(b) Component values for residential support services are:

(1) supervisory span of control ratio: 11 percent;

(2) employee vacation, sick, and training allowance ratio: 8.71 percent;

(3) employee-related cost ratio: 23.6 percent;

(4) general administrative support ratio: 13.25 percent;

(5) program-related expense ratio: 1.3 percent; and

(6) absence and utilization factor ratio: 3.9 percent.

(c) Component values for family foster care are:

(1) supervisory span of control ratio: 11 percent;

(2) employee vacation, sick, and training allowance ratio: 8.71 percent;

(3) employee-related cost ratio: 23.6 percent;

(4) general administrative support ratio: 3.3 percent;

(5) program-related expense ratio: 1.3 percent; and

(6) absence factor: 1.7 percent.

(d) Component values for day services for all services are:

- (1) supervisory span of control ratio: 11 percent;
- (2) employee vacation, sick, and training allowance ratio: 8.71 percent;
- (3) employee-related cost ratio: 23.6 percent;
- (4) program plan support ratio: 5.6 percent;
- (5) client programming and support ratio: ten percent;
- (6) general administrative support ratio: 13.25 percent;
- (7) program-related expense ratio: 1.8 percent; and
- (8) absence and utilization factor ratio: 9.4 percent.

(e) Component values for unit-based services with programming are:

- (1) supervisory span of control ratio: 11 percent;
- (2) employee vacation, sick, and training allowance ratio: 8.71 percent;
- (3) employee-related cost ratio: 23.6 percent;
- (4) program plan supports ratio: 15.5 percent;
- (5) client programming and supports ratio: 4.7 percent;
- (6) general administrative support ratio: 13.25 percent;
- (7) program-related expense ratio: 6.1 percent; and
- (8) absence and utilization factor ratio: 3.9 percent.

(f) Component values for unit-based services without programming except respite are:

- (1) supervisory span of control ratio: 11 percent;
- (2) employee vacation, sick, and training allowance ratio: 8.71 percent;
- (3) employee-related cost ratio: 23.6 percent;
- (4) program plan support ratio: 7.0 percent;
- (5) client programming and support ratio: 2.3 percent;
- (6) general administrative support ratio: 13.25 percent;
- (7) program-related expense ratio: 2.9 percent; and

(8) absence and utilization factor ratio: 3.9 percent.

(g) Component values for unit-based services without programming for respite are:

(1) supervisory span of control ratio: 11 percent;

(2) employee vacation, sick, and training allowance ratio: 8.71 percent;

(3) employee-related cost ratio: 23.6 percent;

(4) general administrative support ratio: 13.25 percent;

(5) program-related expense ratio: 2.9 percent; and

(6) absence and utilization factor ratio: 3.9 percent.

(h) On July 1, 2017, the commissioner shall update the base wage index in paragraph (a) based on the wage data by standard occupational code (SOC) from the Bureau of Labor Statistics available on December 31, 2016. The commissioner shall publish these updated values and load them into the rate management system. On ~~July~~ January 1, 2022, and every ~~five~~ two years thereafter, the commissioner shall update the base wage index in paragraph (a) based on the ~~most recently available~~ wage data by SOC from the Bureau of Labor Statistics available on December 31 of the year two years prior to the scheduled update. The commissioner shall publish these updated values and load them into the rate management system.

(i) On July 1, 2017, the commissioner shall update the framework components in paragraph (d), clause (5); paragraph (e), clause (5); and paragraph (f), clause (5); subdivision 6, clauses (8) and (9); and subdivision 7, clauses (10), (16), and (17), for changes in the Consumer Price Index. The commissioner will adjust these values higher or lower by the percentage change in the Consumer Price Index-All Items, United States city average (CPI-U) from January 1, 2014, to January 1, 2017. The commissioner shall publish these updated values and load them into the rate management system. On ~~July~~ January 1, 2022, and every ~~five~~ two years thereafter, the commissioner shall update the framework components in paragraph (d), clause (5); paragraph (e), clause (5); and paragraph (f), clause (5); subdivision 6, clauses (8) and (9); and subdivision 7, clauses (10), (16), and (17), for changes in the Consumer Price Index. The commissioner shall adjust these values higher or lower by the percentage change in the CPI-U from the date of the previous update to the ~~date of the data most recently~~ available on December 31 of the year two years prior to the scheduled update. The commissioner shall publish these updated values and load them into the rate management system.

(j) In this subdivision, if Bureau of Labor Statistics occupational codes or Consumer Price Index items are unavailable in the future, the commissioner shall recommend to the legislature codes or items to update and replace missing component values.

(k) The commissioner shall increase the updated base wage index in paragraph (h) with a competitive workforce factor of 8.35 percent.

EFFECTIVE DATE. (a) The amendments to paragraphs (h) and (i) are effective January 1, 2022, or upon federal approval, whichever is later. The commissioner shall inform the revisor of statutes when federal approval is obtained.

(b) Paragraph (k) is effective July 1, 2018, or upon federal approval, whichever is later. The commissioner shall inform the revisor of statutes when federal approval is obtained.

Sec. 21. Minnesota Statutes 2017 Supplement, section 256B.4914, subdivision 6, is amended to read:

Subd. 6. **Payments for residential support services.** (a) Payments for residential support services, as defined in sections 256B.092, subdivision 11, and 256B.49, subdivision 22, must be calculated as follows:

(1) determine the number of shared staffing and individual direct staff hours to meet a recipient's needs provided on site or through monitoring technology;

(2) personnel hourly wage rate must be based on the 2009 Bureau of Labor Statistics Minnesota-specific rates or rates derived by the commissioner as provided in subdivision 5. This is defined as the direct-care rate;

(3) for a recipient requiring customization for deaf and hard-of-hearing language accessibility under subdivision 12, add the customization rate provided in subdivision 12 to the result of clause (2). This is defined as the customized direct-care rate;

(4) multiply the number of shared and individual direct staff hours provided on site or through monitoring technology and nursing hours by the appropriate staff wages in subdivision 5, paragraph (a), or the customized direct-care rate;

(5) multiply the number of shared and individual direct staff hours provided on site or through monitoring technology and nursing hours by the product of the supervision span of control ratio in subdivision 5, paragraph (b), clause (1), and the appropriate supervision wage in subdivision 5, paragraph (a), clause (21);

(6) combine the results of clauses (4) and (5), excluding any shared and individual direct staff hours provided through monitoring technology, and multiply the result by one plus the employee vacation, sick, and training allowance ratio in subdivision 5, paragraph (b), clause (2). This is defined as the direct staffing cost;

(7) for employee-related expenses, multiply the direct staffing cost, excluding any shared and individual direct staff hours provided through monitoring technology, by one plus the employee-related cost ratio in subdivision 5, paragraph (b), clause (3);

(8) for client programming and supports, the commissioner shall add \$2,179; and

(9) for transportation, if provided, the commissioner shall add \$1,680, or \$3,000 if customized for adapted transport, based on the resident with the highest assessed need.

(b) The total rate must be calculated using the following steps:

(1) subtotal paragraph (a), clauses (7) to (9), and the direct staffing cost of any shared and individual direct staff hours provided through monitoring technology that was excluded in clause (7);

(2) sum the standard general and administrative rate, the program-related expense ratio, and the absence and utilization ratio; and

(3) divide the result of clause (1) by one minus the result of clause (2). This is the total payment amount; ~~and~~

~~(4) adjust the result of clause (3) by a factor to be determined by the commissioner to adjust for regional differences in the cost of providing services.~~

(c) The payment methodology for customized living, 24-hour customized living, and residential care services must be the customized living tool. Revisions to the customized living tool must be made to reflect the services and activities unique to disability-related recipient needs.

(d) For individuals enrolled prior to January 1, 2014, the days of service authorized must meet or exceed the days of service used to convert service agreements in effect on December 1, 2013, and must not result in a reduction in spending or service utilization due to conversion during the implementation period under section 256B.4913, subdivision 4a. If during the implementation period, an individual's historical rate, including adjustments required under section 256B.4913, subdivision 4a, paragraph (c), is equal to or greater than the rate determined in this subdivision, the number of days authorized for the individual is 365.

(e) The number of days authorized for all individuals enrolling after January 1, 2014, in residential services must include every day that services start and end.

EFFECTIVE DATE. This section is effective January 1, 2022.

Sec. 22. Minnesota Statutes 2017 Supplement, section 256B.4914, subdivision 7, is amended to read:

Subd. 7. **Payments for day programs.** Payments for services with day programs including adult day care, day treatment and habilitation, prevocational services, and structured day services must be calculated as follows:

(1) determine the number of units of service and staffing ratio to meet a recipient's needs:

(i) the staffing ratios for the units of service provided to a recipient in a typical week must be averaged to determine an individual's staffing ratio; and

(ii) the commissioner, in consultation with service providers, shall develop a uniform staffing ratio worksheet to be used to determine staffing ratios under this subdivision;

(2) personnel hourly wage rates must be based on the 2009 Bureau of Labor Statistics Minnesota-specific rates or rates derived by the commissioner as provided in subdivision 5;

(3) for a recipient requiring customization for deaf and hard-of-hearing language accessibility under subdivision 12, add the customization rate provided in subdivision 12 to the result of clause (2). This is defined as the customized direct-care rate;

(4) multiply the number of day program direct staff hours and nursing hours by the appropriate staff wage in subdivision 5, paragraph (a), or the customized direct-care rate;

(5) multiply the number of day direct staff hours by the product of the supervision span of control ratio in subdivision 5, paragraph (d), clause (1), and the appropriate supervision wage in subdivision 5, paragraph (a), clause (21);

(6) combine the results of clauses (4) and (5), and multiply the result by one plus the employee vacation, sick, and training allowance ratio in subdivision 5, paragraph (d), clause (2). This is defined as the direct staffing rate;

(7) for program plan support, multiply the result of clause (6) by one plus the program plan support ratio in subdivision 5, paragraph (d), clause (4);

(8) for employee-related expenses, multiply the result of clause (7) by one plus the employee-related cost ratio in subdivision 5, paragraph (d), clause (3);

(9) for client programming and supports, multiply the result of clause (8) by one plus the client programming and support ratio in subdivision 5, paragraph (d), clause (5);

(10) for program facility costs, add \$19.30 per week with consideration of staffing ratios to meet individual needs;

(11) for adult day bath services, add \$7.01 per 15 minute unit;

(12) this is the subtotal rate;

(13) sum the standard general and administrative rate, the program-related expense ratio, and the absence and utilization factor ratio;

(14) divide the result of clause (12) by one minus the result of clause (13). This is the total payment amount;

~~(15) adjust the result of clause (14) by a factor to be determined by the commissioner to adjust for regional differences in the cost of providing services;~~

~~(16)~~ (15) for transportation provided as part of day training and habilitation for an individual who does not require a lift, add:

(i) \$10.50 for a trip between zero and ten miles for a nonshared ride in a vehicle without a lift, \$8.83 for a shared ride in a vehicle without a lift, and \$9.25 for a shared ride in a vehicle with a lift;

(ii) \$15.75 for a trip between 11 and 20 miles for a nonshared ride in a vehicle without a lift, \$10.58 for a shared ride in a vehicle without a lift, and \$11.88 for a shared ride in a vehicle with a lift;

(iii) \$25.75 for a trip between 21 and 50 miles for a nonshared ride in a vehicle without a lift, \$13.92 for a shared ride in a vehicle without a lift, and \$16.88 for a shared ride in a vehicle with a lift; or

(iv) \$33.50 for a trip of 51 miles or more for a nonshared ride in a vehicle without a lift, \$16.50 for a shared ride in a vehicle without a lift, and \$20.75 for a shared ride in a vehicle with a lift; and

~~(17)~~ (16) for transportation provided as part of day training and habilitation for an individual who does require a lift, add:

(i) \$19.05 for a trip between zero and ten miles for a nonshared ride in a vehicle with a lift, and \$15.05 for a shared ride in a vehicle with a lift;

(ii) \$32.16 for a trip between 11 and 20 miles for a nonshared ride in a vehicle with a lift, and \$28.16 for a shared ride in a vehicle with a lift;

(iii) \$58.76 for a trip between 21 and 50 miles for a nonshared ride in a vehicle with a lift, and \$58.76 for a shared ride in a vehicle with a lift; or

(iv) \$80.93 for a trip of 51 miles or more for a nonshared ride in a vehicle with a lift, and \$80.93 for a shared ride in a vehicle with a lift.

EFFECTIVE DATE. This section is effective January 1, 2022.

Sec. 23. Minnesota Statutes 2017 Supplement, section 256B.4914, subdivision 8, is amended to read:

Subd. 8. **Payments for unit-based services with programming.** Payments for unit-based services with programming, including behavior programming, housing access coordination, in-home family support, independent living skills training, independent living skills specialist services, individualized home supports, hourly supported living services, employment exploration services, employment development services, supported employment, and employment support services provided to an individual outside of any day or residential service plan must be calculated as follows, unless the services are authorized separately under subdivision 6 or 7:

- (1) determine the number of units of service to meet a recipient's needs;
- (2) personnel hourly wage rate must be based on the 2009 Bureau of Labor Statistics Minnesota-specific rates or rates derived by the commissioner as provided in subdivision 5;
- (3) for a recipient requiring customization for deaf and hard-of-hearing language accessibility under subdivision 12, add the customization rate provided in subdivision 12 to the result of clause (2). This is defined as the customized direct-care rate;
- (4) multiply the number of direct staff hours by the appropriate staff wage in subdivision 5, paragraph (a), or the customized direct-care rate;
- (5) multiply the number of direct staff hours by the product of the supervision span of control ratio in subdivision 5, paragraph (e), clause (1), and the appropriate supervision wage in subdivision 5, paragraph (a), clause (21);
- (6) combine the results of clauses (4) and (5), and multiply the result by one plus the employee vacation, sick, and training allowance ratio in subdivision 5, paragraph (e), clause (2). This is defined as the direct staffing rate;
- (7) for program plan support, multiply the result of clause (6) by one plus the program plan supports ratio in subdivision 5, paragraph (e), clause (4);
- (8) for employee-related expenses, multiply the result of clause (7) by one plus the employee-related cost ratio in subdivision 5, paragraph (e), clause (3);
- (9) for client programming and supports, multiply the result of clause (8) by one plus the client programming and supports ratio in subdivision 5, paragraph (e), clause (5);
- (10) this is the subtotal rate;
- (11) sum the standard general and administrative rate, the program-related expense ratio, and the absence and utilization factor ratio;
- (12) divide the result of clause (10) by one minus the result of clause (11). This is the total payment amount; and
- (13) for supported employment provided in a shared manner, divide the total payment amount in clause (12) by the number of service recipients, not to exceed three. For employment support services provided in a shared manner, divide the total payment amount in clause (12) by the number of service recipients, not to exceed six. For independent living skills training and individualized home supports provided in a shared manner, divide the total payment amount in clause (12) by the number of service recipients, not to exceed two; ~~and~~.
- (14) ~~adjust the result of clause (13) by a factor to be determined by the commissioner to adjust for regional differences in the cost of providing services.~~

EFFECTIVE DATE. This section is effective January 1, 2022.

Sec. 24. Minnesota Statutes 2017 Supplement, section 256B.4914, subdivision 9, is amended to read:

Subd. 9. **Payments for unit-based services without programming.** Payments for unit-based services without programming, including night supervision, personal support, respite, and companion care provided to an individual outside of any day or residential service plan must be calculated as follows unless the services are authorized separately under subdivision 6 or 7:

- (1) for all services except respite, determine the number of units of service to meet a recipient's needs;
- (2) personnel hourly wage rates must be based on the 2009 Bureau of Labor Statistics Minnesota-specific rate or rates derived by the commissioner as provided in subdivision 5;
- (3) for a recipient requiring customization for deaf and hard-of-hearing language accessibility under subdivision 12, add the customization rate provided in subdivision 12 to the result of clause (2). This is defined as the customized direct care rate;
- (4) multiply the number of direct staff hours by the appropriate staff wage in subdivision 5 or the customized direct care rate;
- (5) multiply the number of direct staff hours by the product of the supervision span of control ratio in subdivision 5, paragraph (f), clause (1), and the appropriate supervision wage in subdivision 5, paragraph (a), clause (21);
- (6) combine the results of clauses (4) and (5), and multiply the result by one plus the employee vacation, sick, and training allowance ratio in subdivision 5, paragraph (f), clause (2). This is defined as the direct staffing rate;
- (7) for program plan support, multiply the result of clause (6) by one plus the program plan support ratio in subdivision 5, paragraph (f), clause (4);
- (8) for employee-related expenses, multiply the result of clause (7) by one plus the employee-related cost ratio in subdivision 5, paragraph (f), clause (3);
- (9) for client programming and supports, multiply the result of clause (8) by one plus the client programming and support ratio in subdivision 5, paragraph (f), clause (5);
- (10) this is the subtotal rate;
- (11) sum the standard general and administrative rate, the program-related expense ratio, and the absence and utilization factor ratio;
- (12) divide the result of clause (10) by one minus the result of clause (11). This is the total payment amount;
- (13) for respite services, determine the number of day units of service to meet an individual's needs;
- (14) personnel hourly wage rates must be based on the 2009 Bureau of Labor Statistics Minnesota-specific rate or rates derived by the commissioner as provided in subdivision 5;
- (15) for a recipient requiring deaf and hard-of-hearing customization under subdivision 12, add the customization rate provided in subdivision 12 to the result of clause (14). This is defined as the customized direct care rate;
- (16) multiply the number of direct staff hours by the appropriate staff wage in subdivision 5, paragraph (a);

(17) multiply the number of direct staff hours by the product of the supervisory span of control ratio in subdivision 5, paragraph (g), clause (1), and the appropriate supervision wage in subdivision 5, paragraph (a), clause (21);

(18) combine the results of clauses (16) and (17), and multiply the result by one plus the employee vacation, sick, and training allowance ratio in subdivision 5, paragraph (g), clause (2). This is defined as the direct staffing rate;

(19) for employee-related expenses, multiply the result of clause (18) by one plus the employee-related cost ratio in subdivision 5, paragraph (g), clause (3);

(20) this is the subtotal rate;

(21) sum the standard general and administrative rate, the program-related expense ratio, and the absence and utilization factor ratio; and

(22) divide the result of clause (20) by one minus the result of clause (21). This is the total payment amount; ~~and,~~

~~(23) adjust the result of clauses (12) and (22) by a factor to be determined by the commissioner to adjust for regional differences in the cost of providing services.~~

EFFECTIVE DATE. This section is effective January 1, 2022.

Sec. 25. Minnesota Statutes 2017 Supplement, section 256B.4914, subdivision 10, is amended to read:

Subd. 10. **Updating payment values and additional information.** (a) From January 1, 2014, through December 31, 2017, the commissioner shall develop and implement uniform procedures to refine terms and adjust values used to calculate payment rates in this section.

(b) No later than July 1, 2014, the commissioner shall, within available resources, begin to conduct research and gather data and information from existing state systems or other outside sources on the following items:

(1) differences in the underlying cost to provide services and care across the state; and

(2) mileage, vehicle type, lift requirements, incidents of individual and shared rides, and units of transportation for all day services, which must be collected from providers using the rate management worksheet and entered into the rates management system; and

(3) the distinct underlying costs for services provided by a license holder under sections 245D.05, 245D.06, 245D.07, 245D.071, 245D.081, and 245D.09, and for services provided by a license holder certified under section 245D.33.

(c) Beginning January 1, 2014, through December 31, 2018, using a statistically valid set of rates management system data, the commissioner, in consultation with stakeholders, shall analyze for each service the average difference in the rate on December 31, 2013, and the framework rate at the individual, provider, lead agency, and state levels. The commissioner shall issue semiannual reports to the stakeholders on the difference in rates by service and by county during the banding period under section 256B.4913, subdivision 4a. The commissioner shall issue the first report by October 1, 2014, and the final report shall be issued by December 31, 2018.

(d) No later than July 1, 2014, the commissioner, in consultation with stakeholders, shall begin the review and evaluation of the following values already in subdivisions 6 to 9, or issues that impact all services, including, but not limited to:

(1) values for transportation rates;

(2) values for services where monitoring technology replaces staff time;

(3) values for indirect services;

(4) values for nursing;

(5) values for the facility use rate in day services, and the weightings used in the day service ratios and adjustments to those weightings;

(6) values for workers' compensation as part of employee-related expenses;

(7) values for unemployment insurance as part of employee-related expenses;

(8) any changes in state or federal law with a direct impact on the underlying cost of providing home and community-based services; ~~and~~

(9) direct care staff labor market measures; and

(10) outcome measures, determined by the commissioner, for home and community-based services rates determined under this section.

(e) The commissioner shall report to the chairs and the ranking minority members of the legislative committees and divisions with jurisdiction over health and human services policy and finance with the information and data gathered under paragraphs (b) to (d) on the following dates:

(1) January 15, 2015, with preliminary results and data;

(2) January 15, 2016, with a status implementation update, and additional data and summary information;

(3) January 15, 2017, with the full report; and

(4) January 15, 2020, with another full report, and a full report once every four years thereafter.

(f) The commissioner shall implement a regional adjustment factor to all rate calculations in subdivisions 6 to 9, effective no later than January 1, 2015. Beginning July 1, 2017, the commissioner shall renew analysis and implement changes to the regional adjustment factors when adjustments required under subdivision 5, paragraph (h), occur. Prior to implementation, the commissioner shall consult with stakeholders on the methodology to calculate the adjustment.

(g) The commissioner shall provide a public notice via LISTSERV in October of each year beginning October 1, 2014, containing information detailing legislatively approved changes in:

(1) calculation values including derived wage rates and related employee and administrative factors;

(2) service utilization;

- (3) county and tribal allocation changes; and
- (4) information on adjustments made to calculation values and the timing of those adjustments.

The information in this notice must be effective January 1 of the following year.

(h) When the available shared staffing hours in a residential setting are insufficient to meet the needs of an individual who enrolled in residential services after January 1, 2014, or insufficient to meet the needs of an individual with a service agreement adjustment described in section 256B.4913, subdivision 4a, paragraph (f), then individual staffing hours shall be used.

(i) The commissioner shall study the underlying cost of absence and utilization for day services. Based on the commissioner's evaluation of the data collected under this paragraph, the commissioner shall make recommendations to the legislature by January 15, 2018, for changes, if any, to the absence and utilization factor ratio component value for day services.

(j) Beginning July 1, 2017, the commissioner shall collect transportation and trip information for all day services through the rates management system.

Sec. 26. Minnesota Statutes 2017 Supplement, section 256B.4914, subdivision 10a, is amended to read:

Subd. 10a. **Reporting and analysis of cost data.** (a) The commissioner must ensure that wage values and component values in subdivisions 5 to 9 reflect the cost to provide the service. As determined by the commissioner, in consultation with stakeholders identified in section 256B.4913, subdivision 5, a provider enrolled to provide services with rates determined under this section must submit requested cost data to the commissioner to support research on the cost of providing services that have rates determined by the disability waiver rates system. Requested cost data may include, but is not limited to:

- (1) worker wage costs;
- (2) benefits paid;
- (3) supervisor wage costs;
- (4) executive wage costs;
- (5) vacation, sick, and training time paid;
- (6) taxes, workers' compensation, and unemployment insurance costs paid;
- (7) administrative costs paid;
- (8) program costs paid;
- (9) transportation costs paid;
- (10) vacancy rates; and
- (11) other data relating to costs required to provide services requested by the commissioner.

(b) At least once in any five-year period, a provider must submit cost data for a fiscal year that ended not more than 18 months prior to the submission date. The commissioner shall provide each provider a 90-day notice prior to its submission due date. If a provider fails to submit required reporting data, the commissioner shall provide notice to providers that have not provided required data 30 days after the required submission date, and a second notice for providers who have not provided required data 60 days after the required submission date. The commissioner shall temporarily suspend payments to the provider if cost data is not received 90 days after the required submission date. Withheld payments shall be made once data is received by the commissioner.

(c) The commissioner shall conduct a random validation of data submitted under paragraph (a) to ensure data accuracy. The commissioner shall analyze cost documentation in paragraph (a) and provide recommendations for adjustments to cost components.

(d) The commissioner shall analyze cost documentation in paragraph (a) and, in consultation with stakeholders identified in section 256B.4913, subdivision 5, may submit recommendations on component values and inflationary factor adjustments to the chairs and ranking minority members of the legislative committees with jurisdiction over human services every four years beginning January 1, 2020. The commissioner shall make recommendations in conjunction with reports submitted to the legislature according to subdivision 10, paragraph (e). The commissioner shall release cost data in an aggregate form, and cost data from individual providers shall not be released except as provided for in current law.

(e) The commissioner, in consultation with stakeholders identified in section 256B.4913, subdivision 5, shall develop and implement a process for providing training and technical assistance necessary to support provider submission of cost documentation required under paragraph (a).

(f) Beginning January 1, 2019, providers enrolled to provide services with rates determined under this section shall submit labor market data to the commissioner annually, including, but not limited to:

- (1) number of direct care staff;
- (2) wages of direct care staff;
- (3) overtime wages of direct care staff;
- (4) hours worked by direct care staff;
- (5) overtime hours worked by direct care staff;
- (6) benefits provided to direct care staff;
- (7) direct care staff job vacancies; and
- (8) direct care staff retention rates.

(g) Beginning January 15, 2020, the commissioner shall publish annual reports on provider and state-level labor market data, including, but not limited to:

- (1) number of direct care staff;
- (2) wages of direct care staff;
- (3) overtime wages of direct care staff;

(4) hours worked by direct care staff;

(5) overtime hours worked by direct care staff;

(6) benefits provided to direct care staff;

(7) direct care staff job vacancies; and

(8) direct care staff retention rates.

Sec. 27. Minnesota Statutes 2016, section 256B.5012, is amended by adding a subdivision to read:

Subd. 18. **ICF/DD rate increase effective July 1, 2018; Steele County.** Effective July 1, 2018, the daily rate for an intermediate care facility for persons with developmental disabilities located in Steele County that is classified as a class B facility and licensed for 16 beds is \$400. The increase under this subdivision is in addition to any other increase that is effective on July 1, 2018.

Sec. 28. Minnesota Statutes 2016, section 256R.53, subdivision 2, is amended to read:

Subd. 2. **Nursing facility facilities in Breckenridge border cities.** The operating payment rate of a nonprofit nursing facility that exists on January 1, 2015, is located within the boundaries of the ~~city~~ cities of Breckenridge or Moorhead, and is reimbursed under this chapter, is equal to the greater of:

(1) the operating payment rate determined under section 256R.21, subdivision 3; or

(2) the median case mix adjusted rates, including comparable rate components as determined by the median case mix adjusted rates, including comparable rate components as determined by the commissioner, for the equivalent case mix indices of the nonprofit nursing facility or facilities located in an adjacent city in another state and in cities contiguous to the adjacent city. The commissioner shall make the comparison required in this subdivision on November 1 of each year and shall apply it to the rates to be effective on the following January 1. The Minnesota facility's operating payment rate with a case mix index of 1.0 is computed by dividing the adjacent city's nursing facility or facilities' median operating payment rate with an index of 1.02 by 1.02. If the adjustments under this subdivision result in a rate that exceeds the limits in section 256R.23, subdivision 5, and whose costs exceed the rate in section 256R.24, subdivision 3, in a given rate year, the facility's rate shall not be subject to the limits in section 256R.23, subdivision 5, and shall not be limited to the rate established in section 256R.24, subdivision 3, for that rate year.

EFFECTIVE DATE. The rate increases for a facility located in Moorhead are effective for the rate year beginning January 1, 2020, and annually thereafter.

Sec. 29. Laws 2014, chapter 312, article 27, section 76, is amended to read:

Sec. 76. **DISABILITY WAIVER REIMBURSEMENT RATE ADJUSTMENTS.**

~~Subdivision 1. **Historical rate.**~~ The commissioner of human services shall adjust the historical rates calculated in Minnesota Statutes, section 256B.4913, subdivision 4a, paragraph (b), in effect during the banding period under Minnesota Statutes, section 256B.4913, subdivision 4a, paragraph (a), for the reimbursement rate increases effective April 1, 2014, and any rate modification enacted during the 2014 legislative session.

~~Subd. 2. **Residential support services.** The commissioner of human services shall adjust the rates calculated in Minnesota Statutes, section 256B.4914, subdivision 6, paragraphs (b), clause (4), and (c), for the reimbursement rate increases effective April 1, 2014, and any rate modification enacted during the 2014 legislative session.~~

~~Subd. 3. **Day programs.** The commissioner of human services shall adjust the rates calculated in Minnesota Statutes, section 256B.4914, subdivision 7, paragraph (a), clauses (15) to (17), for the reimbursement rate increases effective April 1, 2014, and any rate modification enacted during the 2014 legislative session.~~

~~Subd. 4. **Unit-based services with programming.** The commissioner of human services shall adjust the rate calculated in Minnesota Statutes, section 256B.4914, subdivision 8, paragraph (a), clause (14), for the reimbursement rate increases effective April 1, 2014, and any rate modification enacted during the 2014 legislative session.~~

~~Subd. 5. **Unit-based services without programming.** The commissioner of human services shall adjust the rate calculated in Minnesota Statutes, section 256B.4914, subdivision 9, paragraph (a), clause (23), for the reimbursement rate increases effective April 1, 2014, and any rate modification enacted during the 2014 legislative session.~~

Sec. 30. Laws 2017, First Special Session chapter 6, article 3, section 49, is amended to read:

Sec. 49. **ELECTRONIC SERVICE DELIVERY DOCUMENTATION SYSTEM VISIT VERIFICATION.**

Subdivision 1. **Documentation; establishment.** The commissioner of human services shall establish implementation requirements and standards for an electronic ~~service delivery documentation system~~ visit verification to comply with the 21st Century Cures Act, Public Law 114-255. Within available appropriations, the commissioner shall take steps to comply with the electronic visit verification requirements in the 21st Century Cures Act, Public Law 114-255.

Subd. 2. **Definitions.** (a) For purposes of this section, the terms in this subdivision have the meanings given them.

(b) "Electronic ~~service delivery documentation~~ visit verification" means the electronic documentation of the:

- (1) type of service performed;
- (2) individual receiving the service;
- (3) date of the service;
- (4) location of the service delivery;
- (5) individual providing the service; and
- (6) time the service begins and ends.

(c) "Electronic ~~service delivery documentation~~ visit verification system" means a system that provides electronic ~~service delivery documentation~~ verification of services that complies with the 21st Century Cures Act, Public Law 114-255, and the requirements of subdivision 3.

(d) "Service" means one of the following:

(1) personal care assistance services as defined in Minnesota Statutes, section 256B.0625, subdivision 19a, and provided according to Minnesota Statutes, section 256B.0659; ~~or~~

(2) community first services and supports under Minnesota Statutes, section 256B.85;

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

(4) other medical supplies and equipment or home and community-based services that are required to be electronically verified by the 21st Century Cures Act, Public Law 114-255.

Subd. 3. **Requirements.** (a) In developing implementation requirements for ~~an electronic service delivery documentation system~~ visit verification, the commissioner shall ~~consider electronic visit verification systems and other electronic service delivery documentation methods. The commissioner shall convene stakeholders that will be impacted by an electronic service delivery system, including service providers and their representatives, service recipients and their representatives, and, as appropriate, those with expertise in the development and operation of an electronic service delivery documentation system, to ensure that the requirements:~~

(1) are minimally administratively and financially burdensome to a provider;

(2) are minimally burdensome to the service recipient and the least disruptive to the service recipient in receiving and maintaining allowed services;

(3) consider existing best practices and use of electronic ~~service delivery documentation~~ visit verification;

(4) are conducted according to all state and federal laws;

(5) are effective methods for preventing fraud when balanced against the requirements of clauses (1) and (2); and

(6) are consistent with the Department of Human Services' policies related to covered services, flexibility of service use, and quality assurance.

(b) The commissioner shall make training available to providers on the electronic ~~service delivery documentation~~ visit verification system requirements.

(c) The commissioner shall establish baseline measurements related to preventing fraud and establish measures to determine the effect of electronic ~~service delivery documentation~~ visit verification requirements on program integrity.

(d) The commissioner shall make a state-selected electronic visit verification system available to providers of services.

Subd. 3a. **Provider requirements.** (a) Providers of services may select their own electronic visit verification system that meets the requirements established by the commissioner.

(b) All electronic visit verification systems used by providers to comply with the requirements established by the commissioner must provide data to the commissioner in a format and at a frequency to be established by the commissioner.

(c) Providers must implement the electronic visit verification systems required under this section by January 1, 2019, for personal care services and by January 1, 2023, for home health services in accordance with the 21st Century Cures Act, Public Law 114-255, and the Centers for Medicare and Medicaid Services guidelines. For the purposes of this paragraph, "personal care services" and "home health services" have the meanings given in United States Code, title 42, section 1396b(l)(5).

~~Subd. 4. **Legislative report.** (a) The commissioner shall submit a report by January 15, 2018, to the chairs and ranking minority members of the legislative committees with jurisdiction over human services with recommendations, based on the requirements of subdivision 3, to establish electronic service delivery documentation system requirements and standards. The report shall identify:~~

~~(1) the essential elements necessary to operationalize a base level electronic service delivery documentation system to be implemented by January 1, 2019; and~~

~~(2) enhancements to the base level electronic service delivery documentation system to be implemented by January 1, 2019, or after, with projected operational costs and the costs and benefits for system enhancements.~~

~~(b) The report must also identify current regulations on service providers that are either inefficient, minimally effective, or will be unnecessary with the implementation of an electronic service delivery documentation system.~~

Sec. 31. **COMPETITIVE WORKFORCE SUSTAINABILITY GRANTS.**

Subdivision 1. **Establishment; eligibility.** The commissioner of human services shall establish competitive workforce sustainability grants for providers reimbursed under Minnesota Statutes, section 256B.4914.

Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the meanings given in this subdivision.

(b) "Provider" means a provider of services with rates determined under Minnesota Statutes, section 256B.4914, that has:

(1) a unique Minnesota provider identifier or national provider identifier; and

(2) revenues from unbanded services for the period beginning July 1, 2018, and ending on January 31, 2019, that are ten percent or more of its total revenues from all services with rates determined under Minnesota Statutes, section 256B.4914, for that same period.

(c) "Unbanded services" means services with rates determined under Minnesota Statutes, section 256B.4914, that are not banded under Minnesota Statutes, section 256B.4913.

Subd. 3. **Applications.** Eligible providers must apply to the commissioner of human services on the forms and according to the timelines established by the commissioner.

Subd. 4. **Grant awards.** The commissioner may award grants in an amount up to 7.1 percent of the total revenues generated from unbanded services delivered by a provider during the period beginning July 1, 2018, and ending January 31, 2019.

Sec. 32. **DIRECTION TO COMMISSIONER; PRESCRIBED PEDIATRIC EXTENDED CARE.**

No later than August 15, 2018, the commissioner of human services shall submit to the federal Centers for Medicare and Medicaid Services any medical assistance state plan amendments necessary to cover prescribed pediatric extended care center basic services according to Minnesota Statutes, section 256B.0625, subdivision 65.

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

Sec. 33. **DIRECTION TO COMMISSIONER; BI AND CADI WAIVER CUSTOMIZED LIVING SERVICES PROVIDER LOCATED IN HENNEPIN COUNTY.**

(a) The commissioner of human services shall allow a housing with services establishment located in Minneapolis that provides customized living and 24-hour customized living services for clients enrolled in the brain injury (BI) or community access for disability inclusion (CADI) waiver and had a capacity to serve 66 clients as of July 1, 2017, to transfer service capacity of up to 66 clients to no more than three new housing with services establishments located in Hennepin County.

(b) Notwithstanding Minnesota Statutes, section 256B.492, the commissioner shall determine the new housing with services establishments described under paragraph (a) meet the BI and CADI waiver customized living and 24-hour customized living size limitation exception for clients receiving those services at the new housing with services establishments described under paragraph (a).

Sec. 34. **DIRECTION TO COMMISSIONER; HOME AND COMMUNITY-BASED SERVICES FEDERAL WAIVER SUBMISSION.**

No later than July 1, 2018, the commissioner of human services shall submit to the federal Centers for Medicare and Medicaid services any home and community-based services waivers necessary to implement the changes to the disability waiver rate system under Minnesota Statutes, sections 256B.4913 and 256B.4914. The priorities for submittal to the federal Centers for Medicare and Medicaid services are as follows:

(1) first priority for submittal are the changes related to the transition to the new employment services and the establishment of the competitive workforce factor; and

(2) second priority for submittal are the changes related to the inflationary adjustments, removal of the regional variance factor, and changes to the reporting requirements.

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

Sec. 35. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall codify Laws 2017, First Special Session chapter 6, article 3, section 49, as amended in this article, in Minnesota Statutes, chapter 256B.

Sec. 36. **REPEALER.**

Minnesota Statutes 2016, section 256B.0705, is repealed.

EFFECTIVE DATE. This section is effective January 1, 2019.

ARTICLE 6
PROTECTIONS FOR OLDER ADULTS AND VULNERABLE ADULTS

Section 1. **CITATION.**

Sections 1 to 61 may be cited as the "Vulnerable Adult Maltreatment Prevention and Accountability Act of 2018."

Sec. 2. Minnesota Statutes 2016, section 144.6501, subdivision 3, is amended to read:

Subd. 3. **Contracts of admission.** (a) A facility shall make complete unsigned copies of its admission contract available to potential applicants and to the state or local long-term care ombudsman immediately upon request.

(b) A facility shall post conspicuously within the facility, in a location accessible to public view, either a complete copy of its admission contract or notice of its availability from the facility.

(c) An admission contract must be printed in black type of at least ten-point type size. The facility shall give a complete copy of the admission contract to the resident or the resident's legal representative promptly after it has been signed by the resident or legal representative.

(d) The admission contract must contain the name, address, and contact information of the current owner, manager, and if different from the owner, license holder of the facility, and the name and physical mailing address of at least one natural person who is authorized to accept service of process.

~~(d)~~ (e) An admission contract is a consumer contract under sections 325G.29 to 325G.37.

~~(e)~~ (f) All admission contracts must state in bold capital letters the following notice to applicants for admission: "NOTICE TO APPLICANTS FOR ADMISSION. READ YOUR ADMISSION CONTRACT. ORAL STATEMENTS OR COMMENTS MADE BY THE FACILITY OR YOU OR YOUR REPRESENTATIVE ARE NOT PART OF YOUR ADMISSION CONTRACT UNLESS THEY ARE ALSO IN WRITING. DO NOT RELY ON ORAL STATEMENTS OR COMMENTS THAT ARE NOT INCLUDED IN THE WRITTEN ADMISSION CONTRACT."

Sec. 3. Minnesota Statutes 2016, section 144.6501, is amended by adding a subdivision to read:

Subd. 3a. **Changes to contracts of admission.** Within 30 days of a change in ownership, management, or license holder, the facility must provide prompt written notice to the resident or resident's legal representative of a new owner, manager, and if different from the owner, license holder of the facility, and the name and physical mailing address of any new or additional natural person not identified in the admission contract who is newly authorized to accept service of process.

Sec. 4. Minnesota Statutes 2016, section 144.651, subdivision 1, is amended to read:

Subdivision 1. **Legislative intent.** It is the intent of the legislature and the purpose of this section to promote the interests and well being of the patients and residents of health care facilities. It is the intent of this section that every patient's and resident's civil and religious liberties, including the right to independent personal decisions and knowledge of available choices, must not be infringed and that the facility must encourage and assist in the fullest possible exercise of these rights. The rights provided under this section are established for the benefit of patients and residents. No health care facility may require or request a patient or resident to waive any of these rights at any time or for any reason including as a condition of admission to the facility. Any guardian or conservator of a patient or resident or, in the absence of a guardian or conservator, an interested person, may seek enforcement of these rights on behalf of a patient or resident. An interested person may also seek enforcement of these rights on behalf of

a patient or resident who has a guardian or conservator through administrative agencies or in district court having jurisdiction over guardianships and conservatorships. Pending the outcome of an enforcement proceeding the health care facility may, in good faith, comply with the instructions of a guardian or conservator. ~~It is the intent of this section that every patient's civil and religious liberties, including the right to independent personal decisions and knowledge of available choices, shall not be infringed and that the facility shall encourage and assist in the fullest possible exercise of these rights.~~

Sec. 5. Minnesota Statutes 2016, section 144.651, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For the purposes of this section and section 144.6511, the terms defined in this subdivision have the meanings given them.

(b) "Patient" means:

(1) a person who is admitted to an acute care inpatient facility for a continuous period longer than 24 hours, for the purpose of diagnosis or treatment bearing on the physical or mental health of that person;

(2) a minor who is admitted to a residential program as defined in section 253C.01;

(3) for purposes of subdivisions 1, 4 to 9, 12, 13, 15, 16, and 18 to 20, "patient" also means a person who receives health care services at an outpatient surgical center or at a birth center licensed under section 144.615; ~~"Patient" also means a minor who is admitted to a residential program as defined in section 253C.01; and~~

(4) for purposes of subdivisions 1, 3 to 16, 18, 20 and 30, "patient" also means any person who is receiving mental health treatment on an outpatient basis or in a community support program or other community-based program.

(c) "Resident" means a person who is admitted to:

(1) a nonacute care facility including extended care facilities;

(2) a nursing ~~homes, and~~ home;

(3) ~~a boarding care homes~~ home for care required because of prolonged mental or physical illness or disability, recovery from injury or disease, or advancing age; and

(4) for purposes of ~~all subdivisions except subdivisions 28 and 29, "resident" also means a person who is admitted to~~ 1 to 27 and 30 to 33, a facility licensed as a board and lodging facility under Minnesota Rules, parts 4625.0100 to 4625.2355 chapter 4625, or a supervised living facility under Minnesota Rules, parts 4665.0100 to 4665.9900 chapter 4665, and which operates a rehabilitation program licensed under Minnesota Rules, parts 9530.6405 9530.6510 to 9530.6590.

(d) "Health care facility" or "facility" means:

(1) an acute care inpatient facility;

(2) a residential program as defined in section 253C.01;

(3) for purposes of subdivisions 1, 4 to 9, 12, 13, 15, 16, and 18 to 20, an outpatient surgical center or a birth center licensed under section 144.615;

(4) for purposes of subdivisions 1, 3 to 16, 18, 20, and 30, a setting in which outpatient mental health services are provided, or a community support program or other community-based program providing mental health treatment;

(5) a nonacute care facility, including extended care facilities;

(6) a nursing home;

(7) a boarding care home for care required because of prolonged mental or physical illness or disability, recovery from injury or disease, or advancing age; or

(8) for the purposes of subdivisions 1 to 27 and 30 to 33, a facility licensed as a board and lodging facility under Minnesota Rules, parts 4625.0100 to 4625.2355, or a supervised living facility under Minnesota Rules, parts 4665.0100 to 4665.9900, and which operates a rehabilitation program licensed under Minnesota Rules, parts 9530.6510 to 9530.6590.

Sec. 6. Minnesota Statutes 2016, section 144.651, subdivision 4, is amended to read:

Subd. 4. **Information about rights.** (a) Patients and residents shall, at admission, be told that there are legal rights for their protection during their stay at the facility or throughout their course of treatment and maintenance in the community and that these are described in an accompanying written statement in plain language and in terms patients and residents can understand of the applicable rights and responsibilities set forth in this section. The written statement must be developed by the commissioner, in consultation with stakeholders, and must also include the name, address, and telephone number of the state or county agency to contact for additional information or assistance. In the case of patients admitted to residential programs as defined in section 253C.01, the written statement shall also describe the right of a person 16 years old or older to request release as provided in section 253B.04, subdivision 2, and shall list the names and telephone numbers of individuals and organizations that provide advocacy and legal services for patients in residential programs.

(b) Reasonable accommodations shall be made for people who have communication disabilities and those who speak a language other than English.

(c) Current facility policies, inspection findings of state and local health authorities, and further explanation of the written statement of rights shall be available to patients, residents, their guardians or their chosen representatives upon reasonable request to the administrator or other designated staff person, consistent with chapter 13, the Data Practices Act, and section 626.557, relating to vulnerable adults.

Sec. 7. Minnesota Statutes 2016, section 144.651, subdivision 14, is amended to read:

Subd. 14. **Freedom from maltreatment.** (a) Patients and residents shall be free from maltreatment as defined in the Vulnerable Adults Protection Act. "Maltreatment" means conduct described in section 626.5572, subdivision 15, or the intentional and nontherapeutic infliction of physical pain or injury, or any persistent course of conduct intended to produce mental or emotional distress. Patients and residents shall receive notification from the lead investigative agency regarding a report of alleged maltreatment, disposition of a report, and appeal rights, as provided under section 626.557, subdivision 9c.

(b) Every patient and resident shall also be free from nontherapeutic chemical and physical restraints, except in fully documented emergencies, or as authorized in writing after examination by a patient's or resident's physician for a specified and limited period of time, and only when necessary to protect the resident from self-injury or injury to others.

Sec. 8. Minnesota Statutes 2016, section 144.651, subdivision 16, is amended to read:

Subd. 16. **Confidentiality of records.** Patients and residents shall be assured confidential treatment of their personal, financial, and medical records, and may approve or refuse their release to any individual outside the facility. Residents shall be notified when personal records are requested by any individual outside the facility and may select someone to accompany them when the records or information are the subject of a personal interview. Patients and residents have a right to access their own records and written information from those records. Copies of records and written information from the records shall be made available in accordance with this subdivision and sections 144.291 to 144.298. This right does not apply to complaint investigations and inspections by the Department of Health, where required by third-party payment contracts, or where otherwise provided by law.

Sec. 9. Minnesota Statutes 2016, section 144.651, subdivision 20, is amended to read:

Subd. 20. **Grievances.** (a) Patients and residents shall be encouraged and assisted, throughout their stay in a facility or their course of treatment, to understand and exercise their rights as patients, residents, and citizens. Patients and residents may voice grievances, assert the rights granted under this section personally, and recommend changes in policies and services to facility staff and others of their choice, free from restraint, interference, coercion, discrimination, retaliation, or reprisal, including threat of discharge. Notice of the grievance procedure of the facility or program, as well as addresses and telephone numbers for the Office of Health Facility Complaints and the area nursing home ombudsman pursuant to the Older Americans Act, section 307(a)(12) shall be posted in a conspicuous place.

(b) The facility must investigate and attempt resolution of the complaint or grievance. The patient or resident has the right to be informed of the name of the individual who is responsible for handling grievances.

(c) Notice must be posted in a conspicuous place of the facility's or program's grievance procedure, as well as telephone numbers and, where applicable, addresses for the common entry point, as defined in section 626.5572, subdivision 5, the protection and advocacy agency, and the area ombudsman for long-term care pursuant to the Older Americans Act, section 307(a)(12).

(d) Every acute care inpatient facility, every residential program as defined in section 253C.01, every nonacute care facility, and every facility employing more than two people that provides outpatient mental health services shall have a written internal grievance procedure that, at a minimum, sets forth the process to be followed; specifies time limits, including time limits for facility response; provides for the patient or resident to have the assistance of an advocate; requires a written response to written grievances; and provides for a timely decision by an impartial decision maker if the grievance is not otherwise resolved. Compliance by hospitals, residential programs as defined in section 253C.01 which are hospital-based primary treatment programs, and outpatient surgery centers with section 144.691 and compliance by health maintenance organizations with section 62D.11 is deemed to be compliance with the requirement for a written internal grievance procedure.

Sec. 10. Minnesota Statutes 2016, section 144.651, subdivision 21, is amended to read:

Subd. 21. **Communication privacy.** Patients and residents may associate and communicate privately with persons of their choice and enter and, except as provided by the Minnesota Commitment Act, leave the facility as they choose. Patients and residents shall have access, at their own expense, unless provided by the facility, to writing instruments, stationery, ~~and~~ postage, and Internet service. Personal mail shall be sent without interference and received unopened unless medically or programmatically contraindicated and documented by the physician in the medical record. There shall be access to a telephone where patients and residents can make and receive calls as well as speak privately. Facilities which are unable to provide a private area shall make reasonable arrangements to accommodate the privacy of patients' or residents' calls. Upon admission to a facility where federal law prohibits unauthorized disclosure of patient or resident identifying information to callers and visitors, the patient or resident,

or the legal guardian or conservator of the patient or resident, shall be given the opportunity to authorize disclosure of the patient's or resident's presence in the facility to callers and visitors who may seek to communicate with the patient or resident. To the extent possible, the legal guardian or conservator of a patient or resident shall consider the opinions of the patient or resident regarding the disclosure of the patient's or resident's presence in the facility. This right is limited where medically inadvisable, as documented by the attending physician in a patient's or resident's care record. Where programmatically limited by a facility abuse prevention plan pursuant to section 626.557, subdivision 14, paragraph (b), this right shall also be limited accordingly.

Sec. 11. **[144.6511] CONSUMER TRANSPARENCY.**

(a) Deceptive marketing and business practices are prohibited.

(b) For the purposes of this section, it is a deceptive practice for a facility to:

(1) make any false, fraudulent, deceptive, or misleading statements in marketing, advertising, or written description or representation of care or services, whether in written or electronic form;

(2) arrange for or provide health care or services other than those contracted for;

(3) fail to deliver any care or services the provider or facility promised that the facility was able to provide;

(4) fail to inform the patient or resident in writing of any limitations to care services available prior to executing a contract for admission;

(5) fail to fulfill a written promise that the facility shall continue the same services and the same lease terms if a private pay resident converts to the elderly waiver program;

(6) fail to disclose in writing the purpose of a nonrefundable community fee or other fee prior to contracting for services with a patient or resident;

(7) advertise or represent, in writing, that the facility is or has a special care unit, such as for dementia or memory care, without complying with training and disclosure requirements under sections 144D.065 and 325F.72, and any other applicable law; or

(8) define the terms "facility," "contract of admission," "admission contract," "admission agreement," "legal representative," or "responsible party" to mean anything other than the meanings of those terms under section 144.6501.

Sec. 12. Minnesota Statutes 2016, section 144A.10, subdivision 1, is amended to read:

Subdivision 1. **Enforcement authority.** The commissioner of health is the exclusive state agency charged with the responsibility and duty of inspecting all facilities required to be licensed under section 144A.02, and issuing correction orders and imposing fines as provided in this section, Minnesota Rules, chapter 4658, or any other applicable law. The commissioner of health shall enforce the rules established pursuant to sections 144A.01 to 144A.155, subject only to the authority of the Department of Public Safety respecting the enforcement of fire and safety standards in nursing homes and the responsibility of the commissioner of human services under sections 245A.01 to 245A.16 or 252.28.

The commissioner may request and must be given access to relevant information, records, incident reports, or other documents in the possession of a licensed facility if the commissioner considers them necessary for the discharge of responsibilities. For the purposes of inspections and securing information to determine compliance

with the licensure laws and rules, the commissioner need not present a release, waiver, or consent of the individual. A facility's refusal to cooperate in providing lawfully requested information is grounds for a correction order or fine. The identities of patients or residents must be kept private as defined by section 13.02, subdivision 12.

Sec. 13. Minnesota Statutes 2017 Supplement, section 144A.10, subdivision 4, is amended to read:

Subd. 4. **Correction orders.** Whenever a duly authorized representative of the commissioner of health finds upon inspection of a nursing home, that the facility or a controlling person or an employee of the facility is not in compliance with sections 144.411 to 144.417, 144.651, 144.6503, 144A.01 to 144A.155, or 626.557 or the rules promulgated thereunder, a correction order shall be issued to the facility. The correction order shall state the deficiency, cite the specific rule or statute violated, state the suggested method of correction, and specify the time allowed for correction. Upon receipt of a correction order, a facility shall develop and submit to the commissioner a corrective action plan based on the correction order. The corrective action plan must specify the steps the facility will take to correct the violation and to prevent such violations in the future, how the facility will monitor its compliance with the corrective action plan, and when the facility plans to complete the steps in the corrective action plan. The commissioner is presumed to accept a corrective action plan unless the commissioner notifies the submitting facility that the plan is not accepted within 15 calendar days after the plan is submitted to the commissioner. The commissioner shall monitor the facility's compliance with the corrective action plan. If the commissioner finds that the nursing home had uncorrected or repeated violations which create a risk to resident care, safety, or rights, the commissioner shall notify the commissioner of human services.

Sec. 14. Minnesota Statutes 2016, section 144A.44, subdivision 1, is amended to read:

Subdivision 1. **Statement of rights.** A person who receives home care services has these rights:

(1) the right to receive written information about rights before receiving services, including what to do if rights are violated;

(2) the right to receive care and services according to a suitable and up-to-date plan, and subject to accepted health care, medical or nursing standards, to take an active part in developing, modifying, and evaluating the plan and services;

(3) the right to be told before receiving services the type and disciplines of staff who will be providing the services, the frequency of visits proposed to be furnished, other choices that are available for addressing home care needs, and the potential consequences of refusing these services;

(4) the right to be told in advance of any recommended changes by the provider in the service plan and to take an active part in any decisions about changes to the service plan;

(5) the right to refuse services or treatment;

(6) the right to know, before receiving services or during the initial visit, any limits to the services available from a home care provider;

(7) the right to be told before services are initiated what the provider charges for the services; to what extent payment may be expected from health insurance, public programs, or other sources, if known; and what charges the client may be responsible for paying;

(8) the right to know that there may be other services available in the community, including other home care services and providers, and to know where to find information about these services;

(9) the right to choose freely among available providers and to change providers after services have begun, within the limits of health insurance, long-term care insurance, medical assistance, or other health programs;

(10) the right to have personal, financial, and medical information kept private, and to be advised of the provider's policies and procedures regarding disclosure of such information;

(11) the right to access the client's own records and written information from those records in accordance with sections 144.291 to 144.298;

(12) the right to be served by people who are properly trained and competent to perform their duties;

(13) the right to be treated with courtesy and respect, and to have the client's property treated with respect;

(14) the right to be free from physical and verbal abuse, neglect, financial exploitation, and all forms of maltreatment covered under the Vulnerable Adults Act and the Maltreatment of Minors Act;

(15) the right to reasonable, advance notice of changes in services or charges;

(16) the right to know the provider's reason for termination of services;

(17) the right to at least ten days' advance notice of the termination of a service by a provider, except in cases where:

(i) the client engages in conduct that significantly alters the terms of the service plan with the home care provider;

(ii) the client, person who lives with the client, or others create an abusive or unsafe work environment for the person providing home care services; or

(iii) an emergency or a significant change in the client's condition has resulted in service needs that exceed the current service plan and that cannot be safely met by the home care provider;

(18) the right to a coordinated transfer when there will be a change in the provider of services;

(19) the right to complain about services that are provided, or fail to be provided, and the lack of courtesy or respect to the client or the client's property;

(20) the right to recommend changes in policies and services to the home care provider, provider staff, and others of the person's choice, free from restraint, interference, coercion, discrimination, or reprisal, including threat of termination of services;

~~(20)~~ (21) the right to know how to contact an individual associated with the home care provider who is responsible for handling problems and to have the home care provider investigate and attempt to resolve the grievance or complaint;

~~(21)~~ (22) the right to know the name and address of the state or county agency to contact for additional information or assistance; and

~~(22)~~ (23) the right to assert these rights personally, or have them asserted by the client's representative or by anyone on behalf of the client, without retaliation.

Sec. 15. Minnesota Statutes 2016, section 144A.442, is amended to read:

144A.442 ASSISTED LIVING CLIENTS; SERVICE ARRANGED HOME CARE PROVIDER RESPONSIBILITIES; TERMINATION OF SERVICES.

Subdivision 1. Contents of service termination notice. If an arranged home care provider, as defined in section 144D.01, subdivision 2a, who is not also Medicare certified terminates a service agreement or service plan with an assisted living client, as defined in section 144G.01, subdivision 3, the home care provider shall provide the assisted living client and the legal or designated representatives of the client, if any, with a written notice of termination ~~which~~ that includes the following information:

- (1) the effective date of termination;
- (2) the reason for termination;
- (3) without extending the termination notice period, an affirmative offer to meet with the assisted living client or client representatives within no more than five business days of the date of the termination notice to discuss the termination;
- (4) contact information for a reasonable number of other home care providers in the geographic area of the assisted living client, as required by section 144A.4791, subdivision 10;
- (5) a statement that the provider will participate in a coordinated transfer of the care of the client to another provider or caregiver, as required by section 144A.44, subdivision 1, clause (18);
- (6) the name and contact information of a representative of the home care provider with whom the client may discuss the notice of termination;
- (7) a copy of the home care bill of rights; and
- (8) a statement that the notice of termination of home care services by the home care provider does not constitute notice of termination of the housing with services contract with a housing with services establishment.

Subd. 2. Discontinuation of services. An arranged home care provider's responsibilities when voluntarily discontinuing services to all clients are governed by section 144A.4791, subdivision 10.

Sec. 16. Minnesota Statutes 2016, section 144A.45, subdivision 1, is amended to read:

Subdivision 1. Regulations. The commissioner shall regulate home care providers pursuant to sections 144A.43 to 144A.482. The regulations shall include the following:

- (1) provisions to assure, to the extent possible, the health, safety, well-being, and appropriate treatment of persons who receive home care services while respecting a client's autonomy and choice;
- (2) requirements that home care providers furnish the commissioner with specified information necessary to implement sections 144A.43 to 144A.482;
- (3) standards of training of home care provider personnel;
- (4) standards for provision of home care services;

- (5) standards for medication management;
- (6) standards for supervision of home care services;
- (7) standards for client evaluation or assessment;
- (8) requirements for the involvement of a client's health care provider, the documentation of health care providers' orders, if required, and the client's service plan;
- (9) standards for the maintenance of accurate, current client records;
- (10) the establishment of basic and comprehensive levels of licenses based on services provided; and
- (11) provisions to enforce these regulations and the home care bill of rights, including provisions for issuing penalties and fines as allowed under law.

Sec. 17. Minnesota Statutes 2016, section 144A.45, subdivision 2, is amended to read:

Subd. 2. **Regulatory functions.** The commissioner shall:

- (1) license, survey, and monitor without advance notice, home care providers in accordance with sections 144A.43 to 144A.482;
- (2) survey every temporary licensee within one year of the temporary license issuance date subject to the temporary licensee providing home care services to a client or clients;
- (3) survey all licensed home care providers on an interval that will promote the health and safety of clients;
- (4) with the consent of the client, visit the home where services are being provided;
- (5) issue correction orders and assess civil penalties in accordance with ~~section~~ sections 144.653, subdivisions 5 to 8, 144A.474, and 144A.475, for violations of sections 144A.43 to 144A.482;
- (6) take action as authorized in section 144A.475; and
- (7) take other action reasonably required to accomplish the purposes of sections 144A.43 to 144A.482.

Sec. 18. Minnesota Statutes 2016, section 144A.473, subdivision 2, is amended to read:

Subd. 2. **Temporary license.** (a) For new license applicants, the commissioner shall issue a temporary license for either the basic or comprehensive home care level. A temporary license is effective for up to one year from the date of issuance. Temporary licensees must comply with sections 144A.43 to 144A.482.

(b) During the temporary license ~~year period~~, the commissioner shall survey the temporary licensee within 90 calendar days after the commissioner is notified or has evidence that the temporary licensee is providing home care services.

(c) Within five days of beginning the provision of services, the temporary licensee must notify the commissioner that it is serving clients. The notification to the commissioner may be mailed or e-mailed to the commissioner at the address provided by the commissioner. If the temporary licensee does not provide home care services during the temporary license ~~year~~ period, then the temporary license expires at the end of the ~~year~~ period and the applicant must reapply for a temporary home care license.

(d) A temporary licensee may request a change in the level of licensure prior to being surveyed and granted a license by notifying the commissioner in writing and providing additional documentation or materials required to update or complete the changed temporary license application. The applicant must pay the difference between the application fees when changing from the basic level to the comprehensive level of licensure. No refund will be made if the provider chooses to change the license application to the basic level.

(e) If the temporary licensee notifies the commissioner that the licensee has clients within 45 days prior to the temporary license expiration, the commissioner may extend the temporary license for up to 60 days in order to allow the commissioner to complete the on-site survey required under this section and follow-up survey visits.

Sec. 19. Minnesota Statutes 2016, section 144A.474, subdivision 2, is amended to read:

Subd. 2. **Types of home care surveys.** (a) "Initial full survey" means the survey of a new temporary licensee conducted after the department is notified or has evidence that the temporary licensee is providing home care services to determine if the provider is in compliance with home care requirements. Initial full surveys must be completed within 14 months after the department's issuance of a temporary basic or comprehensive license.

(b) "Change in ownership survey" means a full survey of a new licensee due to a change in ownership. Change in ownership surveys must be completed within six months after the department's issuance of a new license due to a change in ownership.

~~(b)~~ (c) "Core survey" means periodic inspection of home care providers to determine ongoing compliance with the home care requirements, focusing on the essential health and safety requirements. Core surveys are available to licensed home care providers who have been licensed for three years and surveyed at least once in the past three years with the latest survey having no widespread violations beyond Level 1 as provided in subdivision 11. Providers must also not have had any substantiated licensing complaints, substantiated complaints against the agency under the Vulnerable Adults Act or Maltreatment of Minors Act, or an enforcement action as authorized in section 144A.475 in the past three years.

(1) The core survey for basic home care providers must review compliance in the following areas:

- (i) reporting of maltreatment;
- (ii) orientation to and implementation of the home care bill of rights;
- (iii) statement of home care services;
- (iv) initial evaluation of clients and initiation of services;
- (v) client review and monitoring;
- (vi) service plan implementation and changes to the service plan;
- (vii) client complaint and investigative process;

(viii) competency of unlicensed personnel; and

(ix) infection control.

(2) For comprehensive home care providers, the core survey must include everything in the basic core survey plus these areas:

(i) delegation to unlicensed personnel;

(ii) assessment, monitoring, and reassessment of clients; and

(iii) medication, treatment, and therapy management.

~~(e)~~ (d) "Full survey" means the periodic inspection of home care providers to determine ongoing compliance with the home care requirements that cover the core survey areas and all the legal requirements for home care providers. A full survey is conducted for all temporary licensees and for providers who do not meet the requirements needed for a core survey, and when a surveyor identifies unacceptable client health or safety risks during a core survey. A full survey must include all the tasks identified as part of the core survey and any additional review deemed necessary by the department, including additional observation, interviewing, or records review of additional clients and staff.

~~(d)~~ (e) "Follow-up surveys" means surveys conducted to determine if a home care provider has corrected deficient issues and systems identified during a core survey, full survey, or complaint investigation. Follow-up surveys may be conducted via phone, e-mail, fax, mail, or on-site reviews. Follow-up surveys, other than complaint surveys, shall be concluded with an exit conference and written information provided on the process for requesting a reconsideration of the survey results.

~~(e)~~ (f) Upon receiving information alleging that a home care provider has violated or is currently violating a requirement of sections 144A.43 to 144A.482, the commissioner shall investigate the complaint according to sections 144A.51 to 144A.54.

Sec. 20. Minnesota Statutes 2016, section 144A.474, subdivision 8, is amended to read:

Subd. 8. **Correction orders.** (a) A correction order may be issued whenever the commissioner finds upon survey or during a complaint investigation that a home care provider, a managerial official, or an employee of the provider is not in compliance with sections 144A.43 to 144A.482. The correction order shall cite the specific statute and document areas of noncompliance and the time allowed for correction.

(b) The commissioner shall mail copies of any correction order to the last known address of the home care provider, or electronically scan the correction order and e-mail it to the last known home care provider e-mail address, within 30 calendar days after the survey exit date. A copy of each correction order and copies of any documentation supplied to the commissioner shall be kept on file by the home care provider, and public documents shall be made available for viewing by any person upon request. Copies may be kept electronically.

(c) By the correction order date, the home care provider must ~~document in the provider's records any action taken to comply with the correction order. The commissioner may request a copy of this documentation and the home care provider's action to respond to the correction order in future surveys, upon a complaint investigation, and as otherwise needed~~ develop and submit to the commissioner a corrective action plan based on the correction order. The corrective action plan must specify the steps the provider will take to comply with the correction order and how to prevent noncompliance in the future, how the provider will monitor its compliance with the corrective action plan, and when the provider plans to complete the steps in the corrective action plan. The commissioner is presumed to

accept a corrective action plan unless the commissioner notifies the submitting home care provider that the plan is not accepted within 15 calendar days after the plan is submitted to the commissioner. The commissioner shall monitor the provider's compliance with the corrective action plan.

Sec. 21. Minnesota Statutes 2016, section 144A.474, subdivision 9, is amended to read:

Subd. 9. **Follow-up surveys.** For providers that have Level 3 or Level 4 violations under subdivision 11, or any violations determined to be widespread, the department shall conduct a follow-up survey within 90 calendar days of the survey. When conducting a follow-up survey, the surveyor will focus on whether the previous violations have been corrected and may also address any new violations that are observed while evaluating the corrections that have been made. If a new violation is identified on a follow-up survey, ~~no fine will be imposed unless it is not corrected on the next follow-up survey~~ the surveyor shall issue a correction order for the new violation and may impose an immediate fine for the new violation.

Sec. 22. Minnesota Statutes 2017 Supplement, section 144A.474, subdivision 11, is amended to read:

Subd. 11. **Fines.** (a) Fines and enforcement actions under this subdivision may be assessed based on the level and scope of the violations described in paragraph (c) as follows:

(1) Level 1, no fines or enforcement;

(2) Level 2, fines ranging from \$0 to \$500, in addition to any of the enforcement mechanisms authorized in section 144A.475 for widespread violations;

(3) Level 3, fines ranging from \$500 to \$1,000, in addition to any of the enforcement mechanisms authorized in section 144A.475; and

(4) Level 4, fines ranging from \$1,000 to \$5,000, in addition to any of the enforcement mechanisms authorized in section 144A.475.

(b) Correction orders for violations are categorized by both level and scope and fines shall be assessed as follows:

(1) level of violation:

(i) Level 1 is a violation that has no potential to cause more than a minimal impact on the client and does not affect health or safety;

(ii) Level 2 is a violation that did not harm a client's health or safety but had the potential to have harmed a client's health or safety, but was not likely to cause serious injury, impairment, or death;

(iii) Level 3 is a violation that harmed a client's health or safety, not including serious injury, impairment, or death, or a violation that has the potential to lead to serious injury, impairment, or death; and

(iv) Level 4 is a violation that results in serious injury, impairment, or death.

(2) scope of violation:

(i) isolated, when one or a limited number of clients are affected or one or a limited number of staff are involved or the situation has occurred only occasionally;

(ii) pattern, when more than a limited number of clients are affected, more than a limited number of staff are involved, or the situation has occurred repeatedly but is not found to be pervasive; and

(iii) widespread, when problems are pervasive or represent a systemic failure that has affected or has the potential to affect a large portion or all of the clients.

(c) If the commissioner finds that the applicant or a home care provider required to be licensed under sections 144A.43 to 144A.482 has not corrected violations by the date specified in the correction order or conditional license resulting from a survey or complaint investigation, the commissioner may impose ~~a~~ an additional fine for noncompliance with a correction order. A notice of noncompliance with a correction order must be mailed to the applicant's or provider's last known address. ~~The noncompliance notice~~ of noncompliance with a correction order must list the violations not corrected and any fines imposed.

(d) The license holder must pay the fines assessed on or before the payment date specified on a correction order or on a notice of noncompliance with a correction order. If the license holder fails to ~~fully comply with the order~~ pay a fine by the specified date, the commissioner may issue a ~~second~~ late payment fine or suspend the license until the license holder ~~complies by paying the fine~~ pays all outstanding fines. A timely appeal shall stay payment of the late payment fine until the commissioner issues a final order.

(e) A license holder shall promptly notify the commissioner in writing when a violation specified in ~~the order~~ a notice of noncompliance with a correction order is corrected. If upon reinspection the commissioner determines that a violation has not been corrected as indicated by the ~~order~~ notice of noncompliance with a correction order, the commissioner may issue ~~a second~~ an additional fine for noncompliance with a notice of noncompliance with a correction order. The commissioner shall notify the license holder by mail to the last known address in the licensing record that ~~a second~~ an additional fine has been assessed. The license holder may appeal the ~~second~~ additional fine as provided under this subdivision.

(f) A home care provider that has been assessed a fine under this subdivision or subdivision 8 has a right to a reconsideration or a hearing under this section and chapter 14.

(g) When a fine has been assessed, the license holder may not avoid payment by closing, selling, or otherwise transferring the licensed program to a third party. In such an event, the license holder shall be liable for payment of the fine.

(h) In addition to any fine imposed under this section, the commissioner may assess costs related to an investigation that results in a final order assessing a fine or other enforcement action authorized by this chapter.

(i) Fines collected under this subdivision shall be deposited in the state government special revenue fund and credited to an account separate from the revenue collected under section 144A.472. Subject to an appropriation by the legislature, the revenue from the fines collected must be used by the commissioner for special projects to improve home care in Minnesota as recommended by the advisory council established in section 144A.4799.

Sec. 23. Minnesota Statutes 2016, section 144A.4791, subdivision 10, is amended to read:

Subd. 10. **Termination of service plan.** (a) Except as provided in section 144A.442, if a home care provider terminates a service plan with a client, and the client continues to need home care services, the home care provider shall provide the client and the client's representative, if any, with a written notice of termination which includes the following information:

(1) the effective date of termination;

(2) the reason for termination;

(3) a list of known licensed home care providers in the client's immediate geographic area;

(4) a statement that the home care provider will participate in a coordinated transfer of care of the client to another home care provider, health care provider, or caregiver, as required by the home care bill of rights, section 144A.44, subdivision 1, clause (17);

(5) the name and contact information of a person employed by the home care provider with whom the client may discuss the notice of termination; and

(6) if applicable, a statement that the notice of termination of home care services does not constitute notice of termination of the housing with services contract with a housing with services establishment.

(b) When the home care provider voluntarily discontinues services to all clients, the home care provider must notify the commissioner, lead agencies, and ombudsman for long-term care about its clients and comply with the requirements in this subdivision.

Sec. 24. Minnesota Statutes 2016, section 144A.53, subdivision 1, is amended to read:

Subdivision 1. **Powers.** The director may:

(a) Promulgate by rule, pursuant to chapter 14, and within the limits set forth in subdivision 2, the methods by which complaints against health facilities, health care providers, home care providers, or residential care homes, or administrative agencies are to be made, reviewed, investigated, and acted upon; provided, however, that a fee may not be charged for filing a complaint.

(b) Recommend legislation and changes in rules to the state commissioner of health, governor, administrative agencies or the federal government.

(c) Investigate, upon a complaint or upon initiative of the director, any action or failure to act by a health care provider, home care provider, residential care home, or a health facility.

(d) Request and receive access to relevant information, records, incident reports, or documents in the possession of an administrative agency, a health care provider, a home care provider, a residential care home, or a health facility, and issue investigative subpoenas to individuals and facilities for oral information and written information, including privileged information which the director deems necessary for the discharge of responsibilities. For purposes of investigation and securing information to determine violations, the director need not present a release, waiver, or consent of an individual. The identities of patients or residents must be kept private as defined by section 13.02, subdivision 12.

(e) Enter and inspect, at any time, a health facility or residential care home and be permitted to interview staff; provided that the director shall not unduly interfere with or disturb the provision of care and services within the facility or home or the activities of a patient or resident unless the patient or resident consents.

(f) Issue correction orders and assess civil fines pursuant to ~~section~~ sections 144.653, 144A.10, 144A.45, and 144A.474; Minnesota Rules, chapters 4655, 4658, 4664, and 4665; or any other law ~~which or rule that provides for the issuance of correction orders or fines to health facilities, residential care homes, or home care provider, or under section 144A.45 providers.~~ This authority includes the authority to issue correction orders and assess civil fines for violations identified in the appeal or review process. A health facility's, residential care home's, or home's home care provider's refusal to cooperate in providing lawfully requested information may also be grounds for a correction order or fine.

(g) Recommend the certification or decertification of health facilities pursuant to Title XVIII or XIX of the United States Social Security Act.

(h) Assist patients or residents of health facilities or residential care homes in the enforcement of their rights under Minnesota law.

(i) Work with administrative agencies, health facilities, home care providers, residential care homes, and health care providers and organizations representing consumers on programs designed to provide information about health facilities to the public and to health facility residents.

Sec. 25. Minnesota Statutes 2016, section 144A.53, subdivision 4, is amended to read:

Subd. 4. **Referral of complaints.** (a) If a complaint received by the director relates to a matter more properly within the jurisdiction of law enforcement, an occupational licensing board, or other governmental agency, the director shall forward the complaint ~~to that agency~~ appropriately and shall inform the complaining party of the forwarding. ~~The~~

(b) An agency shall promptly act in respect to the complaint, and shall inform the complaining party and the director of its disposition. If a governmental agency receives a complaint which is more properly within the jurisdiction of the director, it shall promptly forward the complaint to the director, and shall inform the complaining party of the forwarding.

(c) If the director has reason to believe that an official or employee of an administrative agency, a home care provider, residential care home, ~~or health facility~~, or a client or resident of any of these entities has acted in a manner warranting criminal or disciplinary proceedings, the director shall refer the matter to the state commissioner of health, the commissioner of human services, an appropriate prosecuting authority, or other appropriate agency.

Sec. 26. Minnesota Statutes 2016, section 144A.53, is amended by adding a subdivision to read:

Subd. 5. **Safety and quality improvement technical panel.** The director shall establish an expert technical panel to examine and make recommendations, on an ongoing basis, on how to apply proven safety and quality improvement practices and infrastructure to settings and providers that provide long-term services and supports. The technical panel must include representation from nonprofit Minnesota-based organizations dedicated to patient safety or innovation in health care safety and quality, Department of Health staff with expertise in issues related to adverse health events, the University of Minnesota, organizations representing long-term care providers and home care providers in Minnesota, national patient safety experts, and other experts in the safety and quality improvement field. The technical panel shall periodically provide recommendations to the legislature on legislative changes needed to promote safety and quality improvement practices in long-term care settings and with long-term care providers.

Sec. 27. Minnesota Statutes 2016, section 144A.53, is amended by adding a subdivision to read:

Subd. 6. **Training and operations panel.** (a) The director shall establish a training and operations panel within the Office of Health Facility Complaints to examine and make recommendations, on an ongoing basis, on continual improvements to the operation of the office. The training and operations panel shall be composed of office staff, including investigators and intake and triage staff, one or more representatives of the commissioner's office, and employees from any other divisions in the Department of Health with relevant knowledge or expertise. The training and operations panel may also consult with employees from other agencies in state government with relevant knowledge or expertise.

(b) The training and operations panel shall examine and make recommendations to the director and the commissioner regarding introducing or refining office systems, procedures, and staff training in order to improve office and staff efficiency; enhance communications between the office, health care facilities, home care providers, and residents or clients; and provide for appropriate, effective protection for vulnerable adults through rigorous investigations and enforcement of laws. Panel duties include but are not limited to:

(1) developing the office's training processes to adequately prepare and support investigators in performing their duties;

(2) developing clear, consistent internal policies for conducting investigations as required by federal law, including policies to ensure staff meet the deadlines in state and federal laws for triaging, investigating, and making final dispositions of cases involving maltreatment, and procedures for notifying the vulnerable adult, reporter, and facility of any delays in investigations; communicating these policies to staff in a clear, timely manner; and developing procedures to evaluate and modify these internal policies on an ongoing basis;

(3) developing and refining quality control measures for the intake and triage processes, through such practices as reviewing a random sample of the triage decisions made in case reports or auditing a random sample of the case files to ensure the proper information is being collected, the files are being properly maintained, and consistent triage and investigations determinations are being made;

(4) developing and maintaining systems and procedures to accurately determine the situations in which the office has jurisdiction over a maltreatment allegation;

(5) developing and maintaining audit procedures for investigations to ensure investigators obtain and document information necessary to support decisions;

(6) developing and maintaining procedures to, following a maltreatment determination, clearly communicate the appeal or review rights of all parties upon final disposition;

(7) continuously upgrading the information on and utility of the office's Web site through such steps as providing clear, detailed information about the appeal or review rights of vulnerable adults, alleged perpetrators, and providers and facilities; and

(8) publishing, in coordination with other areas at the Department of Health and in a manner that does not duplicate information already published by the Department of Health, the public portions of all investigation memoranda prepared by the commissioner of health in the past three years under section 626.557, subdivision 12b, and the public portions of all final orders in the past three years related to licensing violations under this chapter. These memoranda and orders must be published in a manner that allows consumers to search memoranda and orders by facility or provider name and by the physical location of the facility or provider.

Sec. 28. Minnesota Statutes 2016, section 144D.01, subdivision 1, is amended to read:

Subdivision 1. **Scope.** As used in ~~sections 144D.01 to 144D.06~~ this chapter, the following terms have the meanings given them.

Sec. 29. Minnesota Statutes 2016, section 144D.02, is amended to read:

144D.02 REGISTRATION REQUIRED.

No entity may establish, operate, conduct, or maintain a housing with services establishment in this state without registering and operating as required in sections 144D.01 to ~~144D.06~~ 144D.11.

Sec. 30. Minnesota Statutes 2017 Supplement, section 144D.04, subdivision 2, is amended to read:

Subd. 2. **Contents of contract.** A housing with services contract, which need not be entitled as such to comply with this section, shall include at least the following elements in itself or through supporting documents or attachments:

- (1) the name, street address, and mailing address of the establishment;
- (2) the name and mailing address of the owner or owners of the establishment and, if the owner or owners is not a natural person, identification of the type of business entity of the owner or owners;
- (3) the name and mailing address of the managing agent, through management agreement or lease agreement, of the establishment, if different from the owner or owners;
- (4) the name and physical mailing address of at least one natural person who is authorized to accept service of process on behalf of the owner or owners and managing agent;
- (5) a statement describing the registration and licensure status of the establishment and any provider providing health-related or supportive services under an arrangement with the establishment;
- (6) the term of the contract;
- (7) a description of the services to be provided to the resident in the base rate to be paid by the resident, including a delineation of the portion of the base rate that constitutes rent and a delineation of charges for each service included in the base rate;
- (8) a description of any additional services, including home care services, available for an additional fee from the establishment directly or through arrangements with the establishment, and a schedule of fees charged for these services;
- (9) a conspicuous notice informing the tenant of the policy concerning the conditions under which and the process through which the contract may be modified, amended, or terminated, including whether a move to a different room or sharing a room would be required in the event that the tenant can no longer pay the current rent;
- (10) a description of the establishment's complaint resolution process available to residents including the toll-free complaint line for the Office of Ombudsman for Long-Term Care;
- (11) the resident's designated representative, if any;
- (12) the establishment's referral procedures if the contract is terminated;
- (13) requirements of residency used by the establishment to determine who may reside or continue to reside in the housing with services establishment;
- (14) billing and payment procedures and requirements;
- (15) a statement regarding the ability of a resident to receive services from service providers with whom the establishment does not have an arrangement;
- (16) a statement regarding the availability of public funds for payment for residence or services in the establishment; ~~and~~

(17) a statement regarding the availability of and contact information for long-term care consultation services under section 256B.0911 in the county in which the establishment is located;

(18) a statement that a resident has the right to request a reasonable accommodation; and

(19) a statement describing the conditions under which a contract may be amended.

Sec. 31. Minnesota Statutes 2016, section 144D.04, is amended by adding a subdivision to read:

Subd. 2b. **Changes to contract.** The housing with services establishment must provide prompt written notice to the resident or resident's legal representative of a new owner or manager of the housing with services establishment, and the name and physical mailing address of any new or additional natural person not identified in the admission contract who is authorized to accept service of process.

Sec. 32. **[144D.044] INFORMATION REQUIRED TO BE POSTED.**

A housing with services establishment must post conspicuously within the establishment, in a location accessible to public view, the following information:

(1) the name, mailing address, and contact information of the current owner or owners of the establishment and, if the owner or owners are not natural persons, identification of the type of business entity of the owner or owners;

(2) the name, mailing address, and contact information of the managing agent, through management agreement or lease agreement, of the establishment, if different from the owner or owners, and the name and contact information of the on-site manager, if any; and

(3) the name and mailing address of at least one natural person who is authorized to accept service of process on behalf of the owner or owners and managing agent.

Sec. 33. **[144D.095] TERMINATION OF SERVICES.**

A termination of services initiated by an arranged home care provider is governed by section 144A.442.

Sec. 34. Minnesota Statutes 2016, section 144G.01, subdivision 1, is amended to read:

Subdivision 1. **Scope; other definitions.** For purposes of sections 144G.01 to ~~144G.05~~ 144G.08, the following definitions apply. In addition, the definitions provided in section 144D.01 also apply to sections 144G.01 to ~~144G.05~~ 144G.08.

Sec. 35. **[144G.07] TERMINATION OF LEASE.**

A lease termination initiated by a registered housing with services establishment using "assisted living" is governed by section 144D.09.

Sec. 36. **[144G.08] TERMINATION OF SERVICES.**

A termination of services initiated by an arranged home care provider as defined in section 144D.01, subdivision 2a, is governed by section 144A.442.

Sec. 37. Minnesota Statutes 2017 Supplement, section 256.045, subdivision 3, is amended to read:

Subd. 3. **State agency hearings.** (a) State agency hearings are available for the following:

(1) any person applying for, receiving or having received public assistance, medical care, or a program of social services granted by the state agency or a county agency or the federal Food Stamp Act whose application for assistance is denied, not acted upon with reasonable promptness, or whose assistance is suspended, reduced, terminated, or claimed to have been incorrectly paid;

(2) any patient or relative aggrieved by an order of the commissioner under section 252.27;

(3) a party aggrieved by a ruling of a prepaid health plan;

(4) except as provided under chapter 245C;

(i) any individual or facility determined by a lead investigative agency to have maltreated a vulnerable adult under section 626.557 after they have exercised their right to administrative reconsideration under section 626.557; and

(ii) any vulnerable adult who is the subject of a maltreatment investigation under section 626.557 or a guardian or health care agent of the vulnerable adult, after the right to administrative reconsideration under section 626.557, subdivision 9d, has been exercised;

(5) any person whose claim for foster care payment according to a placement of the child resulting from a child protection assessment under section 626.556 is denied or not acted upon with reasonable promptness, regardless of funding source;

(6) any person to whom a right of appeal according to this section is given by other provision of law;

(7) an applicant aggrieved by an adverse decision to an application for a hardship waiver under section 256B.15;

(8) an applicant aggrieved by an adverse decision to an application or redetermination for a Medicare Part D prescription drug subsidy under section 256B.04, subdivision 4a;

(9) except as provided under chapter 245A, an individual or facility determined to have maltreated a minor under section 626.556, after the individual or facility has exercised the right to administrative reconsideration under section 626.556;

(10) except as provided under chapter 245C, an individual disqualified under sections 245C.14 and 245C.15, following a reconsideration decision issued under section 245C.23, on the basis of serious or recurring maltreatment; a preponderance of the evidence that the individual has committed an act or acts that meet the definition of any of the crimes listed in section 245C.15, subdivisions 1 to 4; or for failing to make reports required under section 626.556, subdivision 3, or 626.557, subdivision 3. Hearings regarding a maltreatment determination under clause (4) or (9) and a disqualification under this clause in which the basis for a disqualification is serious or recurring maltreatment, shall be consolidated into a single fair hearing. In such cases, the scope of review by the human services judge shall include both the maltreatment determination and the disqualification. The failure to exercise the right to an administrative reconsideration shall not be a bar to a hearing under this section if federal law provides an individual the right to a hearing to dispute a finding of maltreatment;

(11) any person with an outstanding debt resulting from receipt of public assistance, medical care, or the federal Food Stamp Act who is contesting a setoff claim by the Department of Human Services or a county agency. The scope of the appeal is the validity of the claimant agency's intention to request a setoff of a refund under chapter 270A against the debt;

(12) a person issued a notice of service termination under section 245D.10, subdivision 3a, from residential supports and services as defined in section 245D.03, subdivision 1, paragraph (c), clause (3), that is not otherwise subject to appeal under subdivision 4a;

(13) an individual disability waiver recipient based on a denial of a request for a rate exception under section 256B.4914; or

(14) a person issued a notice of service termination under section 245A.11, subdivision 11, that is not otherwise subject to appeal under subdivision 4a.

(b) The hearing for an individual or facility under paragraph (a), clause (4), (9), or (10), is the only administrative appeal to the final agency determination specifically, including a challenge to the accuracy and completeness of data under section 13.04. Hearings requested under paragraph (a), clause (4), apply only to incidents of maltreatment that occur on or after October 1, 1995. Hearings requested by nursing assistants in nursing homes alleged to have maltreated a resident prior to October 1, 1995, shall be held as a contested case proceeding under the provisions of chapter 14. Hearings requested under paragraph (a), clause (9), apply only to incidents of maltreatment that occur on or after July 1, 1997. A hearing for an individual or facility under paragraph (a), clauses (4), (9), and (10), is only available when there is no district court action pending. If such action is filed in district court while an administrative review is pending that arises out of some or all of the events or circumstances on which the appeal is based, the administrative review must be suspended until the judicial actions are completed. If the district court proceedings are completed, dismissed, or overturned, the matter may be considered in an administrative hearing.

(c) For purposes of this section, bargaining unit grievance procedures are not an administrative appeal.

(d) The scope of hearings involving claims to foster care payments under paragraph (a), clause (5), shall be limited to the issue of whether the county is legally responsible for a child's placement under court order or voluntary placement agreement and, if so, the correct amount of foster care payment to be made on the child's behalf and shall not include review of the propriety of the county's child protection determination or child placement decision.

(e) The scope of hearings under paragraph (a), clauses (12) and (14), shall be limited to whether the proposed termination of services is authorized under section 245D.10, subdivision 3a, paragraph (b), or 245A.11, subdivision 11, and whether the requirements of section 245D.10, subdivision 3a, paragraphs (c) to (e), or 245A.11, subdivision 2a, paragraphs (d) to (f), were met. If the appeal includes a request for a temporary stay of termination of services, the scope of the hearing shall also include whether the case management provider has finalized arrangements for a residential facility, a program, or services that will meet the assessed needs of the recipient by the effective date of the service termination.

(f) A vendor of medical care as defined in section 256B.02, subdivision 7, or a vendor under contract with a county agency to provide social services is not a party and may not request a hearing under this section, except if assisting a recipient as provided in subdivision 4.

(g) An applicant or recipient is not entitled to receive social services beyond the services prescribed under chapter 256M or other social services the person is eligible for under state law.

(h) The commissioner may summarily affirm the county or state agency's proposed action without a hearing when the sole issue is an automatic change due to a change in state or federal law.

(i) Unless federal or Minnesota law specifies a different time frame in which to file an appeal, an individual or organization specified in this section may contest the specified action, decision, or final disposition before the state agency by submitting a written request for a hearing to the state agency within 30 days after receiving written notice of the action, decision, or final disposition, or within 90 days of such written notice if the applicant, recipient, patient, or relative shows good cause, as defined in section 256.0451, subdivision 13, why the request was not submitted within the 30-day time limit. The individual filing the appeal has the burden of proving good cause by a preponderance of the evidence.

Sec. 38. Minnesota Statutes 2017 Supplement, section 256.045, subdivision 4, is amended to read:

Subd. 4. **Conduct of hearings.** (a) All hearings held pursuant to subdivision 3, 3a, 3b, or 4a shall be conducted according to the provisions of the federal Social Security Act and the regulations implemented in accordance with that act to enable this state to qualify for federal grants-in-aid, and according to the rules and written policies of the commissioner of human services. County agencies shall install equipment necessary to conduct telephone hearings. A state human services judge may schedule a telephone conference hearing when the distance or time required to travel to the county agency offices will cause a delay in the issuance of an order, or to promote efficiency, or at the mutual request of the parties. Hearings may be conducted by telephone conferences unless the applicant, recipient, former recipient, person, or facility contesting maltreatment objects. A human services judge may grant a request for a hearing in person by holding the hearing by interactive video technology or in person. The human services judge must hear the case in person if the person asserts that either the person or a witness has a physical or mental disability that would impair the person's or witness's ability to fully participate in a hearing held by interactive video technology. The hearing shall not be held earlier than five days after filing of the required notice with the county or state agency. The state human services judge shall notify all interested persons of the time, date, and location of the hearing at least five days before the date of the hearing. Interested persons may be represented by legal counsel or other representative of their choice, including a provider of therapy services, at the hearing and may appear personally, testify and offer evidence, and examine and cross-examine witnesses. The applicant, recipient, former recipient, person, or facility contesting maltreatment shall have the opportunity to examine the contents of the case file and all documents and records to be used by the county or state agency at the hearing at a reasonable time before the date of the hearing and during the hearing. In hearings under subdivision 3, paragraph (a), clauses (4), (9), and (10), either party may subpoena the private data relating to the investigation prepared by the agency under section 626.556 or 626.557 that is not otherwise accessible under section 13.04, provided the identity of the reporter may not be disclosed.

(b) The private data obtained by subpoena in a hearing under subdivision 3, paragraph (a), clause (4), (9), or (10), must be subject to a protective order which prohibits its disclosure for any other purpose outside the hearing provided for in this section without prior order of the district court. Disclosure without court order is punishable by a sentence of not more than 90 days imprisonment or a fine of not more than \$1,000, or both. These restrictions on the use of private data do not prohibit access to the data under section 13.03, subdivision 6. Except for appeals under subdivision 3, paragraph (a), clauses (4), (5), (9), and (10), upon request, the county agency shall provide reimbursement for transportation, child care, photocopying, medical assessment, witness fee, and other necessary and reasonable costs incurred by the applicant, recipient, or former recipient in connection with the appeal. All evidence, except that privileged by law, commonly accepted by reasonable people in the conduct of their affairs as having probative value with respect to the issues shall be submitted at the hearing and such hearing shall not be "a contested case" within the meaning of section 14.02, subdivision 3. The agency must present its evidence prior to or at the hearing, and may not submit evidence after the hearing except by agreement of the parties at the hearing, provided the petitioner has the opportunity to respond.

(c) In hearings under subdivision 3, paragraph (a), clauses (4), (9), and (10), involving determinations of maltreatment or disqualification made by more than one county agency, by a county agency and a state agency, or by more than one state agency, the hearings may be consolidated into a single fair hearing upon the consent of all parties and the state human services judge.

(d) For hearings under subdivision 3, paragraph (a), clause (4) or (10), involving a vulnerable adult, the human services judge shall notify the vulnerable adult who is the subject of the maltreatment determination and, if known, a guardian of the vulnerable adult appointed under section 524.5-310, or a health care agent designated by the vulnerable adult in a health care directive that is currently effective under section 145C.06 and whose authority to make health care decisions is not suspended under section 524.5-310, of the hearing and shall notify the facility or individual who is the alleged perpetrator of maltreatment. The notice must be sent by certified mail and inform the vulnerable adult or the alleged perpetrator of the right to file a signed written statement in the proceedings. A guardian or health care agent who prepares or files a written statement for the vulnerable adult must indicate in the statement that the person is the vulnerable adult's guardian or health care agent and sign the statement in that capacity. The vulnerable adult, the guardian, or the health care agent may file a written statement with the human services judge hearing the case no later than five business days before commencement of the hearing. The human services judge shall include the written statement in the hearing record and consider the statement in deciding the appeal. This subdivision does not limit, prevent, or excuse the vulnerable adult or alleged perpetrator from being called as a witness testifying at the hearing or grant the vulnerable adult, the guardian, or health care agent a right to participate in the proceedings or appeal the human services judge's decision in the case. The lead investigative agency must consider including the vulnerable adult victim of maltreatment as a witness in the hearing. If the lead investigative agency determines that participation in the hearing would endanger the well-being of the vulnerable adult or not be in the best interests of the vulnerable adult, the lead investigative agency shall inform the human services judge of the basis for this determination, which must be included in the final order. If the human services judge is not reasonably able to determine the address of the vulnerable adult, the guardian, the alleged perpetrator, or the health care agent, the human services judge is not required to send a hearing notice under this subdivision.

Sec. 39. Minnesota Statutes 2016, section 325F.71, is amended to read:

325F.71 SENIOR CITIZENS, VULNERABLE ADULTS, AND ~~DISABLED~~ PERSONS WITH DISABILITIES; ADDITIONAL CIVIL PENALTY FOR DECEPTIVE ACTS.

Subdivision 1. **Definitions.** For the purposes of this section, the following words have the meanings given them:

- (a) "Senior citizen" means a person who is 62 years of age or older.
- (b) "~~Disabled~~ Person with a disability" means a person who has an impairment of physical or mental function or emotional status that substantially limits one or more major life activities.
- (c) "Major life activities" means functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, and working.

(d) "Vulnerable adult" has the meaning given in section 626.5572, subdivision 21.

Subd. 2. **Supplemental civil penalty.** (a) In addition to any liability for a civil penalty pursuant to sections 325D.43 to 325D.48, regarding deceptive trade practices; 325F.67, regarding false advertising; and 325F.68 to 325F.70, regarding consumer fraud; a person who engages in any conduct prohibited by those statutes, and whose conduct is perpetrated against one or more senior citizens, vulnerable adults, or ~~disabled~~ persons with a disability, is liable for an additional civil penalty not to exceed \$10,000 for each violation, if one or more of the factors in paragraph (b) are present.

(b) In determining whether to impose a civil penalty pursuant to paragraph (a), and the amount of the penalty, the court shall consider, in addition to other appropriate factors, the extent to which one or more of the following factors are present:

(1) whether the defendant knew or should have known that the defendant's conduct was directed to one or more senior citizens, vulnerable adults, or ~~disabled~~ persons with a disability;

(2) whether the defendant's conduct caused one or more senior citizens, vulnerable adults, or ~~disabled~~ persons with a disability to suffer: loss or encumbrance of a primary residence, principal employment, or source of income; substantial loss of property set aside for retirement or for personal or family care and maintenance; substantial loss of payments received under a pension or retirement plan or a government benefits program; or assets essential to the health or welfare of the senior citizen, vulnerable adult, or ~~disabled~~ person with a disability;

(3) whether one or more senior citizens, vulnerable adults, or ~~disabled~~ persons with a disability are more vulnerable to the defendant's conduct than other members of the public because of age, poor health or infirmity, impaired understanding, restricted mobility, or disability, and actually suffered physical, emotional, or economic damage resulting from the defendant's conduct; or

(4) whether the defendant's conduct caused senior citizens, vulnerable adults, or ~~disabled~~ persons with a disability to make an uncompensated asset transfer that resulted in the person being found ineligible for medical assistance.

Subd. 3. **Restitution to be given priority.** Restitution ordered pursuant to the statutes listed in subdivision 2 shall be given priority over imposition of civil penalties designated by the court under this section.

Subd. 4. **Private remedies.** A person injured by a violation of this section may bring a civil action and recover damages, together with costs and disbursements, including costs of investigation and reasonable attorney's fees, and receive other equitable relief as determined by the court.

Sec. 40. Minnesota Statutes 2016, section 609.2231, subdivision 8, is amended to read:

Subd. 8. **Vulnerable adults.** (a) As used in this subdivision, "vulnerable adult" has the meaning given in section 609.232, subdivision 11.

(b) Whoever assaults ~~and inflicts demonstrable bodily harm on~~ a vulnerable adult, knowing or having reason to know that the person is a vulnerable adult, is guilty of a gross misdemeanor.

Sec. 41. Minnesota Statutes 2016, section 626.557, subdivision 3, is amended to read:

Subd. 3. **Timing of report.** (a) A mandated reporter who has reason to believe that a vulnerable adult is being or has been maltreated, or who has knowledge that a vulnerable adult has sustained a physical injury which is not reasonably explained shall ~~immediately~~ report the information to the common entry point as soon as possible but in no event longer than 24 hours. If an individual is a vulnerable adult solely because the individual is admitted to a facility, a mandated reporter is not required to report suspected maltreatment of the individual that occurred prior to admission, unless:

(1) the individual was admitted to the facility from another facility and the reporter has reason to believe the vulnerable adult was maltreated in the previous facility; or

(2) the reporter knows or has reason to believe that the individual is a vulnerable adult as defined in section 626.5572, subdivision 21, paragraph (a), clause (4).

(b) A person not required to report under the provisions of this section may voluntarily report as described above.

(c) Nothing in this section requires a report of known or suspected maltreatment, if the reporter knows or has reason to know that a report has been made to the common entry point.

(d) Nothing in this section shall preclude a reporter from also reporting to a law enforcement agency.

(e) A mandated reporter who knows or has reason to believe that an error under section 626.5572, subdivision 17, paragraph (c), clause (5), occurred must make a report under this subdivision. If the reporter or a facility, at any time believes that an investigation by a lead investigative agency will determine or should determine that the reported error was not neglect according to the criteria under section 626.5572, subdivision 17, paragraph (c), clause (5), the reporter or facility may provide to the common entry point or directly to the lead investigative agency information explaining how the event meets the criteria under section 626.5572, subdivision 17, paragraph (c), clause (5). The lead investigative agency shall consider this information when making an initial disposition of the report under subdivision 9c.

Sec. 42. Minnesota Statutes 2016, section 626.557, subdivision 4, is amended to read:

Subd. 4. **Reporting.** (a) Except as provided in paragraph (b), a mandated reporter shall immediately make an oral report to the common entry point. The common entry point may accept electronic reports submitted through a Web-based reporting system established by the commissioner. Use of a telecommunications device for the deaf or other similar device shall be considered an oral report. The common entry point may not require written reports. To the extent possible, the report must be of sufficient content to identify the vulnerable adult, the caregiver, the nature and extent of the suspected maltreatment, any evidence of previous maltreatment, the name and address of the reporter, the time, date, and location of the incident, and any other information that the reporter believes might be helpful in investigating the suspected maltreatment. The common entry point must provide a method for the reporter to electronically submit evidence to support the maltreatment report, including but not limited to uploading photographs, videos, or documents. A mandated reporter may disclose not public data, as defined in section 13.02, and medical records under sections 144.291 to 144.298, to the extent necessary to comply with this subdivision.

(b) A boarding care home that is licensed under sections 144.50 to 144.58 and certified under Title 19 of the Social Security Act, a nursing home that is licensed under section 144A.02 and certified under Title 18 or Title 19 of the Social Security Act, or a hospital that is licensed under sections 144.50 to 144.58 and has swing beds certified under Code of Federal Regulations, title 42, section 482.66, may submit a report electronically to the common entry point instead of submitting an oral report. ~~The report may be a duplicate of the initial report the facility submits electronically to the commissioner of health to comply with the reporting requirements under Code of Federal Regulations, title 42, section 483.13.~~ The commissioner of health may modify these reporting requirements to include items required under paragraph (a) that are not currently included in the electronic reporting form.

(c) All reports must be directed to the common entry point, including reports from federally licensed facilities, vulnerable adults, and interested persons.

Sec. 43. Minnesota Statutes 2016, section 626.557, subdivision 9, is amended to read:

Subd. 9. **Common entry point designation.** (a) Each county board shall designate a common entry point for reports of suspected maltreatment, for use until the commissioner of human services establishes a common entry point. Two or more county boards may jointly designate a single common entry point. The commissioner of human services shall establish a common entry point effective July 1, 2015. The common entry point is the unit responsible for receiving the report of suspected maltreatment under this section.

(b) The common entry point must be available 24 hours per day to take calls from reporters of suspected maltreatment. The common entry point staff must receive training on how to screen and dispatch reports efficiently and in accordance with this section. The common entry point shall use a standard intake form that includes:

- (1) the time and date of the report;
- (2) the name, address, and telephone number of the person reporting;
- (3) the time, date, and location of the incident;
- (4) the names of the persons involved, including but not limited to, perpetrators, alleged victims, and witnesses;
- (5) whether there was a risk of imminent danger to the alleged victim;
- (6) a description of the suspected maltreatment;
- (7) the disability, if any, of the alleged victim;
- (8) the relationship of the alleged perpetrator to the alleged victim;
- (9) whether a facility was involved and, if so, which agency licenses the facility;
- (10) any action taken by the common entry point;
- (11) whether law enforcement has been notified;
- (12) whether the reporter wishes to receive notification of the initial and final reports; and
- (13) if the report is from a facility with an internal reporting procedure, the name, mailing address, and telephone number of the person who initiated the report internally.

(c) The common entry point is not required to complete each item on the form prior to dispatching the report to the appropriate lead investigative agency.

(d) The common entry point shall immediately report to a law enforcement agency any incident in which there is reason to believe a crime has been committed.

(e) If a report is initially made to a law enforcement agency or a lead investigative agency, those agencies shall take the report on the appropriate common entry point intake forms and immediately forward a copy to the common entry point.

(f) ~~The common entry point staff must receive training on how to screen and dispatch reports efficiently and in accordance with this section.~~ cross-reference multiple complaints to the lead investigative agency concerning:

- (1) the same alleged perpetrator, facility, or licensee;
- (2) the same vulnerable adult; or
- (3) the same incident.

(g) The commissioner of human services shall maintain a centralized database for the collection of common entry point data, lead investigative agency data including maltreatment report disposition, and appeals data. The common entry point shall have access to the centralized database and must log the reports into the database and immediately identify and locate prior reports of abuse, neglect, or exploitation.

(h) When appropriate, the common entry point staff must refer calls that do not allege the abuse, neglect, or exploitation of a vulnerable adult to other organizations that might resolve the reporter's concerns.

(i) A common entry point must be operated in a manner that enables the commissioner of human services to:

(1) track critical steps in the reporting, evaluation, referral, response, disposition, and investigative process to ensure compliance with all requirements for all reports;

(2) maintain data to facilitate the production of aggregate statistical reports for monitoring patterns of abuse, neglect, or exploitation;

(3) serve as a resource for the evaluation, management, and planning of preventative and remedial services for vulnerable adults who have been subject to abuse, neglect, or exploitation;

(4) set standards, priorities, and policies to maximize the efficiency and effectiveness of the common entry point; and

(5) track and manage consumer complaints related to the common entry point, including tracking and cross-referencing multiple complaints concerning:

(i) the same alleged perpetrator, facility, or licensee;

(ii) the same vulnerable adult; and

(iii) the same incident.

(j) The commissioners of human services and health shall collaborate on the creation of a system for referring reports to the lead investigative agencies. This system shall enable the commissioner of human services to track critical steps in the reporting, evaluation, referral, response, disposition, investigation, notification, determination, and appeal processes.

Sec. 44. Minnesota Statutes 2016, section 626.557, subdivision 9a, is amended to read:

Subd. 9a. **Evaluation and referral of reports made to common entry point.** (a) The common entry point must screen the reports of alleged or suspected maltreatment for immediate risk and make all necessary referrals as follows:

(1) if the common entry point determines that there is an immediate need for emergency adult protective services, the common entry point agency shall immediately notify the appropriate county agency;

(2) if the common entry point determines an immediate need exists for response by law enforcement, including the urgent need to secure a crime scene, interview witnesses, remove the alleged perpetrator, or safeguard the vulnerable adult's property, or if the report contains suspected criminal activity against a vulnerable adult, the common entry point shall immediately notify the appropriate law enforcement agency;

(3) the common entry point shall refer all reports of alleged or suspected maltreatment to the appropriate lead investigative agency as soon as possible, but in any event no longer than two working days;

(4) if the report contains information about a suspicious death, the common entry point shall immediately notify the appropriate law enforcement agencies, the local medical examiner, and the ombudsman for mental health and developmental disabilities established under section 245.92. Law enforcement agencies shall coordinate with the local medical examiner and the ombudsman as provided by law; and

(5) for reports involving multiple locations or changing circumstances, the common entry point shall determine the county agency responsible for emergency adult protective services and the county responsible as the lead investigative agency, using referral guidelines established by the commissioner.

(b) If the lead investigative agency receiving a report believes the report was referred by the common entry point in error, the lead investigative agency shall immediately notify the common entry point of the error, including the basis for the lead investigative agency's belief that the referral was made in error. The common entry point shall review the information submitted by the lead investigative agency and immediately refer the report to the appropriate lead investigative agency.

Sec. 45. Minnesota Statutes 2016, section 626.557, subdivision 9b, is amended to read:

Subd. 9b. **Response to reports.** Law enforcement is the primary agency to conduct investigations of any incident in which there is reason to believe a crime has been committed. Law enforcement shall initiate a response immediately. If the common entry point notified a county agency for emergency adult protective services, law enforcement shall cooperate with that county agency when both agencies are involved and shall exchange data to the extent authorized in subdivision 12b, paragraph ~~(g)~~ (k). County adult protection shall initiate a response immediately. Each lead investigative agency shall complete the investigative process for reports within its jurisdiction. A lead investigative agency, county, adult protective agency, licensed facility, or law enforcement agency shall cooperate with other agencies in the provision of protective services, coordinating its investigations, and assisting another agency within the limits of its resources and expertise and shall exchange data to the extent authorized in subdivision 12b, paragraph ~~(g)~~ (k). The lead investigative agency shall obtain the results of any investigation conducted by law enforcement officials, and law enforcement shall obtain the results of any investigation conducted by the lead investigative agency to determine if criminal action is warranted. The lead investigative agency has the right to enter facilities and inspect and copy records as part of investigations. The lead investigative agency has access to not public data, as defined in section 13.02, and medical records under sections 144.291 to 144.298, that are maintained by facilities to the extent necessary to conduct its investigation. Each lead investigative agency shall develop guidelines for prioritizing reports for investigation. Nothing in this subdivision alters the duty of the lead investigative agency to serve as the agency responsible for investigating reports made under this section.

Sec. 46. Minnesota Statutes 2016, section 626.557, subdivision 9c, is amended to read:

Subd. 9c. **Lead investigative agency; notifications, dispositions, determinations.** ~~(a) Upon request of the reporter,~~ The lead investigative agency shall notify the reporter that it has received the report, and provide information on the initial disposition of the report within five business days of receipt of the report, provided that the notification will not endanger the vulnerable adult or hamper the investigation.

(b) The lead investigative agency must provide the following information to the vulnerable adult or the vulnerable adult's guardian or health care agent, if known, within five days of receipt of the report:

(1) the nature of the maltreatment allegations, including the report of maltreatment as allowed under law;

(2) the name of the facility or other location at which alleged maltreatment occurred;

(3) the name of the alleged perpetrator if the lead investigative agency believes disclosure of the name is necessary to protect the vulnerable adult's physical, emotional, or financial interests;

(4) protective measures that may be recommended or taken as a result of the maltreatment report;

(5) contact information for the investigator or other information as requested and allowed under law; and

(6) confirmation of whether the lead investigative agency is investigating the matter and, if so:

(i) an explanation of the process and estimated timeline for the investigation; and

(ii) a statement that the lead investigative agency will provide an update on the investigation approximately every three weeks upon request by the vulnerable adult or the vulnerable adult's guardian or health care agent and a report when the investigation is concluded.

(c) The lead investigative agency may assign multiple reports of maltreatment for the same or separate incidences related to the same vulnerable adult to the same investigator, as deemed appropriate. Reports related to the same vulnerable adult must, at a minimum, be cross-referenced.

~~(b)~~ (d) Upon conclusion of every investigation it conducts, the lead investigative agency shall make a final disposition as defined in section 626.5572, subdivision 8.

~~(e)~~ (e) When determining whether the facility or individual is the responsible party for substantiated maltreatment or whether both the facility and the individual are responsible for substantiated maltreatment, the lead investigative agency shall consider at least the following mitigating factors:

(1) whether the actions of the facility or the individual caregivers were in accordance with, and followed the terms of, an erroneous physician order, prescription, resident care plan, or directive. This is not a mitigating factor when the facility or caregiver is responsible for the issuance of the erroneous order, prescription, plan, or directive or knows or should have known of the errors and took no reasonable measures to correct the defect before administering care;

(2) the comparative responsibility between the facility, other caregivers, and requirements placed upon the employee, including but not limited to, the facility's compliance with related regulatory standards and factors such as the adequacy of facility policies and procedures, the adequacy of facility training, the adequacy of an individual's participation in the training, the adequacy of caregiver supervision, the adequacy of facility staffing levels, and a consideration of the scope of the individual employee's authority; and

(3) whether the facility or individual followed professional standards in exercising professional judgment.

~~(d)~~ (f) When substantiated 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 section 245A.06 or 245A.07 apply.

~~(e)~~ (g) The lead investigative agency shall complete its final disposition within 60 calendar days. If the lead investigative agency is unable to complete its final disposition within 60 calendar days, the lead investigative agency shall notify the following persons provided that the notification will not endanger the vulnerable adult or hamper the investigation: (1) the vulnerable adult or the vulnerable adult's guardian or health care agent, when known, if the lead investigative agency knows them to be aware of the investigation; and (2) the facility, where applicable. The notice shall contain the reason for the delay and the projected completion date. If the lead investigative agency is

unable to complete its final disposition by a subsequent projected completion date, the lead investigative agency shall again notify the vulnerable adult or the vulnerable adult's guardian or health care agent, when known if the lead investigative agency knows them to be aware of the investigation, and the facility, where applicable, of the reason for the delay and the revised projected completion date provided that the notification will not endanger the vulnerable adult or hamper the investigation. The lead investigative agency must notify the health care agent of the vulnerable adult only if the health care agent's authority to make health care decisions for the vulnerable adult is currently effective ~~under section 145C.06~~ and not suspended under section 524.5-310 ~~and the investigation relates to a duty assigned to the health care agent by the principal~~. A lead investigative agency's inability to complete the final disposition within 60 calendar days or by any projected completion date does not invalidate the final disposition.

~~(f)~~ (h) Within ten calendar days of completing the final disposition, the lead investigative agency shall provide a copy of the public investigation memorandum under subdivision 12b, paragraph ~~(b)~~, ~~clause (4)~~ (d), when required to be completed under this section, to the following persons:

(1) the vulnerable adult, or the vulnerable adult's guardian or health care agent, if known, unless the lead investigative agency knows that the notification would endanger the well-being of the vulnerable adult;

(2) the reporter, ~~if~~ unless the reporter requested ~~notification otherwise~~ when making the report, provided this notification would not endanger the well-being of the vulnerable adult;

(3) the alleged perpetrator, if known;

(4) the facility; ~~and~~

(5) the ombudsman for long-term care, or the ombudsman for mental health and developmental disabilities, as appropriate;

(6) law enforcement; and

(7) the county attorney, as appropriate.

~~(g)~~ (i) If, as a result of a reconsideration, review, or hearing, the lead investigative agency changes the final disposition, or if a final disposition is changed on appeal, the lead investigative agency shall notify the parties specified in paragraph ~~(f)~~ (h).

~~(h)~~ (j) The lead investigative agency shall notify the vulnerable adult who is the subject of the report or the vulnerable adult's guardian or health care agent, if known, and any person or facility determined to have maltreated a vulnerable adult, of their appeal or review rights under this section or section ~~256.024~~ 256.045.

~~(i)~~ (k) The lead investigative agency shall routinely provide investigation memoranda for substantiated reports to the appropriate licensing boards. These reports must include the names of substantiated perpetrators. The lead investigative agency may not provide investigative memoranda for inconclusive or false reports to the appropriate licensing boards unless the lead investigative agency's investigation gives reason to believe that there may have been a violation of the applicable professional practice laws. If the investigation memorandum is provided to a licensing board, the subject of the investigation memorandum shall be notified and receive a summary of the investigative findings.

~~(j)~~ (l) In order to avoid duplication, licensing boards shall consider the findings of the lead investigative agency in their investigations if they choose to investigate. This does not preclude licensing boards from considering other information.

~~(k)~~ (m) The lead investigative agency must provide to the commissioner of human services its final dispositions, including the names of all substantiated perpetrators. The commissioner of human services shall establish records to retain the names of substantiated perpetrators.

Sec. 47. Minnesota Statutes 2016, section 626.557, subdivision 9d, is amended to read:

Subd. 9d. **Administrative reconsideration; review panel.** (a) Except as provided under paragraph (e), any individual or facility which a lead investigative agency determines has maltreated a vulnerable adult, or the vulnerable adult or an interested person acting on behalf of the vulnerable adult, regardless of the lead investigative agency's determination, who contests the lead investigative agency's final disposition of an allegation of maltreatment, may request the lead investigative agency to reconsider its final disposition. The request for reconsideration must be submitted in writing to the lead investigative agency within 15 calendar days after receipt of notice of final disposition 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 vulnerable adult or the vulnerable adult's guardian or health care agent. If mailed, the request for reconsideration must be postmarked and sent to the lead investigative agency within 15 calendar days of the individual's or facility's receipt of the final disposition. If the request for reconsideration is made by personal service, it must be received by the lead investigative agency within 15 calendar days of the individual's or facility's receipt of the final disposition. An individual who was determined to have maltreated a vulnerable adult 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 in writing 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 lead investigative agency within 30 calendar days of the individual's receipt of the notice of disqualification. If the request for reconsideration is made by personal service, it must be received by the lead investigative 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 lead investigative 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 a written request for a hearing under that statute. ~~The vulnerable adult, or an interested person acting on behalf of the vulnerable adult, may request a review by the Vulnerable Adult Maltreatment Review Panel under section 256.021 if the lead investigative agency denies the request or fails to act upon the request, or if the vulnerable adult or interested person contests a reconsidered disposition.~~ The lead investigative 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 lead investigative agency within 30 calendar days of receipt of notice of a denial of a request for reconsideration or of a reconsidered disposition. The request must specifically identify the aspects of the lead investigative agency determination with which the person is dissatisfied.

(c) If, as a result of a reconsideration or review, the lead investigative agency changes the final disposition, it shall notify the parties specified in subdivision 9c, paragraph (f).

(d) For purposes of this subdivision, "interested person acting on behalf of the vulnerable adult" means a person designated in writing by the vulnerable adult to act on behalf of the vulnerable adult, or a legal guardian or conservator or other legal representative, a proxy or health care agent appointed under chapter 145B or 145C, or an individual who is related to the vulnerable adult, as defined in section 245A.02, subdivision 13.

(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 reconsideration of the disqualification under sections 245C.21 to 245C.27,

reconsideration of the maltreatment determination and requested 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, the scope of the contested case hearing must include the maltreatment determination, disqualification, and licensing sanction or denial of a license. In such cases, a fair hearing must not be conducted under section 256.045. Except for family child care and child foster care, reconsideration of a maltreatment determination under this subdivision, and reconsideration of a disqualification under section 245C.22, must 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) Until August 1, 2002, an individual or facility that was determined by the commissioner of human services or the commissioner of health to be responsible for neglect under section 626.5572, subdivision 17, after October 1, 1995, and before August 1, 2001, that believes that the finding of neglect does not meet an amended definition of neglect may request a reconsideration of the determination of neglect. The commissioner of human services or the commissioner of health shall mail a notice to the last known address of individuals who are eligible to seek this reconsideration. The request for reconsideration must state how the established findings no longer meet the elements of the definition of neglect. The commissioner shall review the request for reconsideration and make a determination within 15 calendar days. The commissioner's decision on this reconsideration is the final agency action.

(1) For purposes of compliance with the data destruction schedule under subdivision 12b, paragraph (d), when a finding of substantiated maltreatment has been changed as a result of a reconsideration under this paragraph, the date of the original finding of a substantiated maltreatment must be used to calculate the destruction date.

(2) For purposes of any background studies under chapter 245C, when a determination of substantiated maltreatment has been changed as a result of a reconsideration under this paragraph, any prior disqualification of the individual under chapter 245C that was based on this determination of maltreatment shall be rescinded, and for future background studies under chapter 245C the commissioner must not use the previous determination of substantiated maltreatment as a basis for disqualification or as a basis for referring the individual's maltreatment history to a health-related licensing board under section 245C.31.

Sec. 48. Minnesota Statutes 2016, section 626.557, subdivision 10b, is amended to read:

Subd. 10b. **Investigations; guidelines.** (a) Each lead investigative agency shall develop guidelines for prioritizing reports for investigation. When investigating a report, the lead investigative agency shall conduct the following activities, as appropriate:

- (1) interview of the alleged victim;
- (2) interview of the reporter and others who may have relevant information;
- (3) interview of the alleged perpetrator;
- (4) examination of the environment surrounding the alleged incident;
- (5) review of pertinent documentation of the alleged incident; and
- (6) consultation with professionals.

(b) The lead investigator must contact the alleged victim or, if known, the alleged victim's guardian or health care agent, within five days after initiation of an investigation to provide the investigator's name and contact information and communicate with the alleged victim or the alleged victim's guardian or health care agent approximately every three weeks during the course of the investigation.

Sec. 49. Minnesota Statutes 2016, section 626.557, subdivision 12b, is amended to read:

Subd. 12b. **Data management.** (a) In performing any of the duties of this section as a lead investigative agency, the county social service agency shall maintain appropriate records. Data collected by the county social service agency under this section are welfare data under section 13.46. Notwithstanding section 13.46, subdivision 1, paragraph (a), data under this paragraph that are inactive investigative data on an individual who is a vendor of services are private data on individuals, as defined in section 13.02. The identity of the reporter may only be disclosed as provided in paragraph ~~(e)~~ (g).

(b) Data maintained by the common entry point are ~~confidential~~ private data on individuals or ~~protected~~ nonpublic data as defined in section 13.02, provided that the name of the reporter is confidential data on individuals. Notwithstanding section 138.163, the common entry point shall maintain data for three calendar years after date of receipt and then destroy the data unless otherwise directed by federal requirements.

~~(b)~~ (c) The commissioners of health and human services shall prepare an investigation memorandum for each report alleging maltreatment investigated under this section. County social service agencies must maintain private data on individuals but are not required to prepare an investigation memorandum. During an investigation by the commissioner of health or the commissioner of human services, data collected under this section are confidential data on individuals or protected nonpublic data as defined in section 13.02, provided that data may be shared with the vulnerable adult or guardian or health care agent if both commissioners determine that sharing of the data is needed to protect the vulnerable adult. Upon completion of the investigation, the data are classified as provided in clauses (1) to (3) and paragraph (e) paragraphs (d) to (g).

~~(4)~~ (d) The investigation memorandum must contain the following data, which are public:

~~(i)~~ (1) the name of the facility investigated;

~~(ii)~~ (2) a statement of the nature of the alleged maltreatment;

~~(iii)~~ (3) pertinent information obtained from medical or other records reviewed;

~~(iv)~~ (4) the identity of the investigator;

~~(v)~~ (5) a summary of the investigation's findings;

~~(vi)~~ (6) statement of whether the report was found to be substantiated, inconclusive, false, or that no determination will be made;

~~(vii)~~ (7) a statement of any action taken by the facility;

~~(viii)~~ (8) a statement of any action taken by the lead investigative agency; and

~~(ix)~~ (9) when a lead investigative agency's determination has substantiated maltreatment, a statement of whether an individual, individuals, or a facility were responsible for the substantiated maltreatment, if known.

The investigation memorandum must be written in a manner which protects the identity of the reporter and of the vulnerable adult and may not contain the names or, to the extent possible, data on individuals or private data on individuals listed in ~~elause (2)~~ paragraph (e).

~~(2)~~ (e) Data on individuals collected and maintained in the investigation memorandum are private data on individuals, including:

~~(i)~~ (1) the name of the vulnerable adult;

~~(ii)~~ (2) the identity of the individual alleged to be the perpetrator;

~~(iii)~~ (3) the identity of the individual substantiated as the perpetrator; and

~~(iv)~~ (4) the identity of all individuals interviewed as part of the investigation.

~~(3)~~ (f) Other data on individuals maintained as part of an investigation under this section are private data on individuals upon completion of the investigation.

~~(e)~~ (g) After the assessment or investigation is completed, the name of the reporter must be confidential, except:

(1) the subject of the report may compel disclosure of the name of the reporter only with the consent of the reporter; or

(2) upon a written finding by a court that the report was false and there is evidence that the report was made in bad faith.

This subdivision does not alter disclosure responsibilities or obligations under the Rules of Criminal Procedure, except that where the identity of the reporter is relevant to a criminal prosecution, the district court shall do an in-camera review prior to determining whether to order disclosure of the identity of the reporter.

~~(d)~~ (h) Notwithstanding section 138.163, data maintained under this section by the commissioners of health and human services must be maintained under the following schedule and then destroyed unless otherwise directed by federal requirements:

- (1) data from reports determined to be false, maintained for three years after the finding was made;
- (2) data from reports determined to be inconclusive, maintained for four years after the finding was made;
- (3) data from reports determined to be substantiated, maintained for seven years after the finding was made; and
- (4) data from reports which were not investigated by a lead investigative agency and for which there is no final disposition, maintained for three years from the date of the report.

~~(e)~~ (i) The commissioners of health and human services shall annually publish on their Web sites the number and type of reports of alleged maltreatment involving licensed facilities reported under this section, the number of those requiring investigation under this section, and the resolution of those investigations. On a biennial basis, the commissioners of health and human services shall jointly report the following information to the legislature and the governor:

(1) the number and type of reports of alleged maltreatment involving licensed facilities reported under this section, the number of those requiring investigations under this section, the resolution of those investigations, and which of the two lead agencies was responsible;

(2) trends about types of substantiated maltreatment found in the reporting period;

(3) ~~if there are upward trends for types of maltreatment substantiated,~~ recommendations for preventing, addressing, and responding to them substantiated maltreatment;

(4) efforts undertaken or recommended to improve the protection of vulnerable adults;

(5) whether and where backlogs of cases result in a failure to conform with statutory time frames and recommendations for reducing backlogs if applicable;

(6) recommended changes to statutes affecting the protection of vulnerable adults; and

(7) any other information that is relevant to the report trends and findings.

~~(f)~~ (j) Each lead investigative agency must have a record retention policy.

~~(g)~~ (k) Lead investigative agencies, prosecuting authorities, and law enforcement agencies may exchange not public data, as defined in section 13.02, if the agency or authority requesting the data determines that the data are pertinent and necessary to the requesting agency in initiating, furthering, or completing an investigation under this section. Data collected under this section must be made available to prosecuting authorities and law enforcement officials, local county agencies, and licensing agencies investigating the alleged maltreatment under this section. ~~The lead investigative agency shall exchange not public data with the vulnerable adult maltreatment review panel established in section 256.021 if the data are pertinent and necessary for a review requested under that section.~~ Notwithstanding section 138.17, upon completion of the review, not public data received by the review panel must be destroyed.

~~(h)~~ (l) Each lead investigative agency shall keep records of the length of time it takes to complete its investigations.

(+) (m) Notwithstanding paragraph (a) or (b), a lead investigative agency may share common entry point or investigative data and may notify other affected parties, including the vulnerable adult and their authorized representative, if the lead investigative agency has reason to believe maltreatment has occurred and determines the information will safeguard the well-being of the affected parties or dispel widespread rumor or unrest in the affected facility.

(+) (n) Under any notification provision of this section, where federal law specifically prohibits the disclosure of patient identifying information, a lead investigative agency may not provide any notice unless the vulnerable adult has consented to disclosure in a manner which conforms to federal requirements.

Sec. 50. Minnesota Statutes 2016, section 626.557, subdivision 14, is amended to read:

Subd. 14. **Abuse prevention plans.** (a) Each facility, except home health agencies and personal care attendant services providers assistance provider agencies, shall establish and enforce an ongoing written abuse prevention plan. The plan shall contain an assessment of the physical plant, its environment, and its population identifying factors which may encourage or permit abuse, and a statement of specific measures to be taken to minimize the risk of abuse. The plan shall comply with any rules governing the plan promulgated by the licensing agency.

(b) Each facility, including a home health care agency and personal care attendant services providers, shall develop an individual abuse prevention plan for each vulnerable adult residing there or receiving services from them. The plan shall contain an individualized assessment of: (1) the person's susceptibility to abuse by other individuals, including other vulnerable adults; (2) the person's risk of abusing other vulnerable adults; and (3) statements of the specific measures to be taken to minimize the risk of abuse to that person and other vulnerable adults. For the purposes of this paragraph, the term "abuse" includes self-abuse.

(c) If the facility, except home health agencies and personal care attendant services providers, knows that the vulnerable adult has committed a violent crime or an act of physical aggression toward others, the individual abuse prevention plan must detail the measures to be taken to minimize the risk that the vulnerable adult might reasonably be expected to pose to visitors to the facility and persons outside the facility, if unsupervised. Under this section, a facility knows of a vulnerable adult's history of criminal misconduct or physical aggression if it receives such information from a law enforcement authority or through a medical record prepared by another facility, another health care provider, or the facility's ongoing assessments of the vulnerable adult.

(d) The commissioner of health must issue a correction order and may impose an immediate fine upon a finding that the facility has failed to comply with this subdivision.

Sec. 51. Minnesota Statutes 2016, section 626.557, subdivision 17, is amended to read:

Subd. 17. **Retaliation prohibited.** (a) A facility or person shall not retaliate against any person who reports in good faith suspected maltreatment pursuant to this section, or against a vulnerable adult with respect to whom a report is made, because of the report.

(b) In addition to any remedies allowed under sections 181.931 to 181.935, any facility or person which retaliates against any person because of a report of suspected maltreatment is liable to that person for actual damages, punitive damages up to \$10,000, and attorney fees.

(c) There shall be a rebuttable presumption that any adverse action, as defined below, within 90 days of a report, is retaliatory. For purposes of this clause, the term "adverse action" refers to action taken by a facility or person involved in a report against the person making the report or the person with respect to whom the report was made because of the report, and includes, but is not limited to:

- (1) discharge or transfer from the facility;
- (2) discharge from or termination of employment;
- (3) demotion or reduction in remuneration for services;
- (4) restriction or prohibition of access to the facility or its residents; or
- (5) any restriction of rights set forth in section 144.651, 144A.44, or 144A.441.

Sec. 52. Minnesota Statutes 2016, section 626.5572, subdivision 6, is amended to read:

Subd. 6. **Facility.** (a) "Facility" means:

- (1) a hospital or other entity required to be licensed under sections 144.50 to 144.58;
- (2) a nursing home required to be licensed to serve adults under section 144A.02;
- (3) a facility or service required to be licensed under chapter 245A;
- (4) a home care provider licensed or required to be licensed under sections 144A.43 to 144A.482;
- (5) a hospice provider licensed under sections 144A.75 to 144A.755;
- (6) a housing with services establishment registered under chapter 144D, including an entity operating under chapter 144G, assisted living title protection; or
- (7) a person or organization that offers, provides, or arranges for personal care assistance services under the medical assistance program as authorized under sections 256B.0625, subdivision 19a, 256B.0651 to 256B.0654, 256B.0659, or 256B.85.

(b) For personal care assistance services identified in paragraph (a), clause (7), that are provided in the vulnerable adult's own home or in another unlicensed location other than an unlicensed setting listed in paragraph (a), the term "facility" refers to the provider, person, or organization that offers, provides, or arranges for personal care assistance services, and does not refer to the vulnerable adult's home or other location at which services are rendered.

Sec. 53. **REPORT; SAFETY AND QUALITY IMPROVEMENT PRACTICES.**

By January 15, 2019, the safety and quality improvement technical panel established under Minnesota Statutes, section 144A.53, subdivision 5, shall provide recommendations to the legislature on legislative changes needed to promote safety and quality improvement practices in long-term care settings and with long-term care providers. The recommendations must address:

- (1) how to implement a system for adverse health events reporting, learning, and prevention in long-term care settings and with long-term care providers; and
- (2) interim actions to improve systems for the timely analysis of reports and complaints submitted to the Office of Health Facility Complaints to identify common themes and key prevention opportunities, and to disseminate key findings to providers across the state for the purposes of shared learning and prevention.

Sec. 54. **REPORTS: OFFICE OF HEALTH FACILITY COMPLAINTS' RESPONSE TO VULNERABLE ADULT MALTREATMENT ALLEGATIONS.**

(a) On a quarterly basis until January 2021, and annually thereafter, the commissioner of health must publish on the Department of Health Web site, a report on the Office of Health Facility Complaints' response to allegations of maltreatment of vulnerable adults. The report must include:

(1) a description and assessment of the office's efforts to improve its internal processes and compliance with federal and state requirements concerning allegations of maltreatment of vulnerable adults, including any relevant timelines;

(2)(i) the number of reports received by type of reporter; (ii) the number of reports investigated; (iii) the percentage and number of reported cases awaiting triage; (iv) the number and percentage of open investigations; (v) the number and percentage of reports that have failed to meet state or federal timelines for triaging, investigating, or making a final disposition of an investigation by cause of delay; and (vi) processes the office will implement to bring the office into compliance with state and federal timelines for triaging, investigating, and making final dispositions of investigations;

(3) a trend analysis of internal audits conducted by the office; and

(4) trends and patterns in maltreatment of vulnerable adults, licensing violations by facilities or providers serving vulnerable adults, and other metrics as determined by the commissioner.

(b) The commissioner shall maintain on the Department of Health Web site reports published under this section for at least the past three years.

Sec. 55. **ASSISTED LIVING AND DEMENTIA CARE LICENSING WORKING GROUP.**

Subdivision 1. Establishment; membership. (a) An assisted living and dementia care licensing working group is established.

(b) The commissioner of health shall appoint the following members of the working group:

(1) four providers from the senior housing with services profession, two providing services in the seven-county metropolitan area and two providing services outside the seven-county metropolitan area. The providers appointed must include providers from establishments of different sizes;

(2) two persons who reside in senior housing with services establishments, or family members of persons who reside in senior housing with services establishments. One resident or family member must reside in the seven-county metropolitan area and one resident or family member must reside outside the seven-county metropolitan area;

(3) one representative from the Home Care and Assisted Living Program Advisory Council;

(4) one representative of a health plan company;

(5) one representative from Care Providers of Minnesota;

(6) one representative from LeadingAge Minnesota;

(7) one representative from the Alzheimer's Association;

(8) one representative from the Metropolitan Area Agency on Aging and one representative from an area agency on aging other than the Metropolitan Area Agency on Aging;

(9) one representative from the Minnesota Rural Health Association;

(10) one federal compliance official; and

(11) one representative from the Minnesota Home Care Association.

(c) The following individuals shall also be members of the working group:

(1) two members of the house of representatives, one appointed by the speaker of the house and one appointed by the minority leader;

(2) two members of the senate, one appointed by the majority leader and one appointed by the minority leader;

(3) one member of the Minnesota Council on Disability or a designee, appointed by the council;

(4) one member of the Commission of Deaf, Deafblind and Hard of Hearing Minnesotans or a designee, appointed by the commission;

(5) the commissioner of health or a designee;

(6) the commissioner of human services or a designee;

(7) the ombudsman for long-term care or a designee; and

(8) one member of the Minnesota Board of Aging, appointed by the board.

(d) The appointing authorities under this subdivision must complete the appointments no later than July 1, 2018.

Subd. 2. **Duties; recommendations.** (a) The assisted living and dementia care licensing working group shall consider and make recommendations on a new regulatory framework for assisted living and dementia care. In developing the licensing framework, the working group must address at least the following:

(1) the appropriate level of regulation, including licensure, registration, or certification;

(2) coordination of care;

(3) the scope of care to be provided and limits on acuity levels of residents;

(4) consumer rights;

(5) building design and physical environment;

(6) dietary services;

(7) support services;

(8) transition planning;

(9) the installation and use of electronic monitoring in settings in which assisted living or dementia care services are provided;

(10) staff training and qualifications;

(11) options for the engagement of seniors and their families;

(12) notices and financial requirements; and

(13) compliance with federal Medicaid waiver requirements for home and community-based services settings.

(b) Facilities and providers licensed by the commissioner of human services shall be exempt from licensing requirements for assisted living recommended under this section.

Subd. 3. **Meetings.** The commissioner of health or a designee shall convene the first meeting of the working group no later than August 1, 2018. The members of the working group shall elect a chair from among the group's members at the first meeting, and the commissioner of health or a designee shall serve as the working group's chair until a chair is elected. Meetings of the working group shall be open to the public.

Subd. 4. **Compensation.** Members of the working group appointed under subdivision 1, paragraph (b), shall serve without compensation or reimbursement for expenses.

Subd. 5. **Administrative support.** The commissioner of health shall provide administrative support for the working group and arrange meeting space.

Subd. 6. **Report.** By January 15, 2019, the working group must submit a report with findings, recommendations, and draft legislation to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance.

Subd. 7. **Expiration.** The working group expires January 16, 2019, or the day after the working group submits the report required under subdivision 6, whichever is earlier.

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

Sec. 56. **DEMENTIA CARE CERTIFICATION WORKING GROUP.**

Subdivision 1. **Establishment; membership.** (a) A dementia care certification working group is established.

(b) The commissioner of health shall appoint the following members of the working group:

(1) two caregivers of persons who have been diagnosed with Alzheimer's disease or other dementia, one caregiver residing in the seven-county metropolitan area and one caregiver residing outside the seven-county metropolitan area;

(2) two providers from the senior housing with services profession, one providing services in the seven-county metropolitan area and one providing services outside the seven-county metropolitan area;

(3) two geriatricians, one of whom serves a diverse or underserved community;

(4) one psychologist who specializes in dementia care;

(5) one representative of the Alzheimer's Association;

(6) one representative from Care Providers of Minnesota;

(7) one representative from LeadingAge Minnesota; and

(8) one representative from the Minnesota Home Care Association.

(c) The following individuals shall also be members of the working group:

(1) two members of the house of representatives, one appointed by the speaker of the house and one appointed by the minority leader;

(2) two members of the senate, one appointed by the majority leader and one appointed by the minority leader;

(3) the commissioner of health or a designee;

(4) the commissioner of human services or a designee;

(5) the ombudsman for long-term care or a designee;

(6) one member of the Minnesota Board on Aging, appointed by the board; and

(7) the executive director of the Minnesota Board on Aging, who shall serve as a nonvoting member of the working group.

(d) The appointing authorities under this subdivision must complete their appointments no later than July 1, 2018.

Subd. 2. **Duties; recommendations.** The dementia care certification working group shall consider and make recommendations regarding the certification of providers offering dementia care services to clients diagnosed with Alzheimer's disease or other dementias. The working group must:

(1) develop standards in the following areas that nursing homes, boarding care homes, and housing with services establishments offering care for clients diagnosed with Alzheimer's disease or other dementias must meet in order to obtain dementia care certification, including staffing, egress control, access to secured outdoor spaces, specialized therapeutic activities, and specialized life enrichment programming;

(2) develop requirements for disclosing dementia care certification standards to consumers; and

(3) develop mechanisms for enforcing dementia care certification standards.

Subd. 3. **Meetings.** The commissioner of health or a designee shall convene the first meeting of the working group no later than August 1, 2018. The members of the working group shall elect a chair from among the group's members at the first meeting, and the commissioner of health or a designee shall serve as the working group's chair until a chair is elected. Meetings of the working group shall be open to the public.

Subd. 4. **Compensation.** Members of the working group appointed under subdivision 1, paragraph (b), shall serve without compensation or reimbursement for expenses.

Subd. 5. **Administrative support.** The commissioner of health shall provide administrative support for the working group and arrange meeting space.

Subd. 6. **Report.** By January 15, 2019, the working group must submit a report with findings, recommendations, and draft legislation to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance.

Subd. 7. **Expiration.** The working group expires January 16, 2019, or the day after the working group submits the report required under subdivision 6, whichever is earlier.

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

Sec. 57. **ASSISTED LIVING REPORT CARD WORKING GROUP.**

Subdivision 1. **Establishment; membership.** (a) An assisted living report card working group, tasked with researching and making recommendations on the development of an assisted living report card, is established.

(b) The commissioner of human services shall appoint the following members of the working group:

(1) two persons who reside in senior housing with services establishments, one residing in an establishment in the seven-county metropolitan area and one residing in an establishment outside the seven-county metropolitan area;

(2) four representatives of the senior housing with services profession, two providing services in the seven-county metropolitan area and two providing services outside the seven-county metropolitan area;

(3) one family member of a person who resides in a senior housing with services establishment in the seven-county metropolitan area, and one family member of a person who resides in a senior housing with services establishment outside the seven-county metropolitan area;

(4) a representative from the Home Care and Assisted Living Program Advisory Council;

(5) a representative from the University of Minnesota with expertise in data and analytics;

(6) a representative from Care Providers of Minnesota; and

(7) a representative from LeadingAge Minnesota.

(c) The following individuals shall also be appointed to the working group:

(1) the commissioner of human services or a designee;

(2) the commissioner of health or a designee;

(3) the ombudsman for long-term care or a designee;

(4) one member of the Minnesota Board on Aging, appointed by the board; and

(5) the executive director of the Minnesota Board on Aging who shall serve on the working group as a nonvoting member.

(d) The appointing authorities under this subdivision must complete the appointments no later than July 1, 2018.

Subd. 2. **Duties.** The assisted living report card working group shall consider and make recommendations on the development of an assisted living report card. The quality metrics considered shall include, but are not limited to:

(1) an annual customer satisfaction survey measure using the CoreQ questions for assisted-living residents and family members;

(2) a measure utilizing level 3 or 4 citations from Department of Health home care survey findings and substantiated Office of Health Facility Complaints findings against a home care provider;

(3) a home care staff retention measure; and

(4) a measure that scores a provider's staff according to their level of training and education.

Subd. 3. **Meetings.** The commissioner of human services or a designee shall convene the first meeting of the working group no later than August 1, 2018. The members of the working group shall elect a chair from among the group's members at the first meeting, and the commissioner of human services or a designee shall serve as the working group's chair until a chair is elected. Meetings of the working group shall be open to the public.

Subd. 4. **Compensation.** Members of the working group shall serve without compensation or reimbursement for expenses.

Subd. 5. **Administrative support.** The commissioner of human services shall provide administrative support and arrange meeting space for the working group.

Subd. 6. **Report.** By January 15, 2019, the working group must submit a report with findings, recommendations, and draft legislation to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance.

Subd. 7. **Expiration.** The working group expires January 16, 2019, or the day after the working group submits the report required in subdivision 6, whichever is later.

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

Sec. 58. **DIRECTION TO COMMISSIONER OF HEALTH; PROGRESS IN IMPLEMENTING RECOMMENDATIONS OF LEGISLATIVE AUDITOR.**

By March 1, 2019, the commissioner of health must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over health, human services, or aging on the progress toward implementing each recommendation of the Office of the Legislative Auditor with which the commissioner agreed in the commissioner's letter to the legislative auditor dated March 1, 2018. The commissioner shall include in the report existing data collected in the course of the commissioner's continuing oversight of the Office of Health Facility Complaints sufficient to demonstrate the implementation of the recommendations with which the commissioner agreed.

Sec. 59. **DIRECTION TO COMMISSIONER OF HEALTH; POSTING SUBSTANTIATED MALTREATMENT REPORTS.**

The commissioner of health must post every substantiated report of maltreatment of a vulnerable adult at the Web site of the Office of Health Facility Complaints.

Sec. 60. **DIRECTION TO COMMISSIONER OF HEALTH; PROVIDER EDUCATION.**

(a) The commissioner of health shall develop decision-making tools, including decision trees, regarding provider self-reported maltreatment allegations, and shall share these tools with providers. As soon as practicable, the commissioner shall update the decision-making tools as necessary, including whenever federal or state requirements

change, and shall inform providers when the updated tools are available. The commissioner shall develop decision-making tools that clarify and encourage reporting whether the provider is licensed or registered under federal or state law, while also educating providers on any distinctions in reporting under federal versus state law.

(b) The commissioner of health shall conduct rigorous trend analyses of maltreatment reports, triage decisions, investigation determinations, enforcement actions, and appeals to identify trends and patterns in reporting of maltreatment, substantiated maltreatment, and licensing violations and shall share these findings with providers and interested stakeholders.

Sec. 61. **REPEALER.**

Minnesota Statutes 2016, section 256.021, is repealed.

ARTICLE 7
CHILDREN AND FAMILIES

Section 1. Minnesota Statutes 2016, section 119B.011, is amended by adding a subdivision to read:

Subd. 13b. **Homeless.** "Homeless" means a self-declared housing status as defined in the McKinney-Vento Homeless Assistance Act and United States Code, title 42, section 11302, paragraph (a).

Sec. 2. Minnesota Statutes 2017 Supplement, section 119B.011, subdivision 20, is amended to read:

Subd. 20. **Transition year families.** "Transition year families" means families who have received MFIP assistance, or who were eligible to receive MFIP assistance after choosing to discontinue receipt of the cash portion of MFIP assistance under section 256J.31, subdivision 12, or families who have received DWP assistance under section 256J.95 for at least ~~three~~ one of the last six months before losing eligibility for MFIP or DWP. Notwithstanding Minnesota Rules, parts 3400.0040, subpart 10, and 3400.0090, subpart 2, transition year child care may be used to support employment, approved education or training programs, or job search that meets the requirements of section 119B.10. Transition year child care is not available to families who have been disqualified from MFIP or DWP due to fraud.

Sec. 3. Minnesota Statutes 2016, section 119B.02, subdivision 7, is amended to read:

Subd. 7. **Child care market rate survey.** ~~Biennially,~~ The commissioner shall survey prices charged by child care providers in Minnesota every three years to determine the 75th percentile for like-care arrangements in county price clusters.

EFFECTIVE DATE. This section is effective retroactively from the market rate survey conducted in calendar year 2016 and applies to any market rate survey conducted after the 2016 market rate survey.

Sec. 4. Minnesota Statutes 2017 Supplement, section 119B.025, subdivision 1, is amended to read:

Subdivision 1. **Applications.** (a) Except as provided in paragraph (c), clause (4), the county shall verify the following at all initial child care applications using the universal application:

- (1) identity of adults;
- (2) presence of the minor child in the home, if questionable;

(3) relationship of minor child to the parent, stepparent, legal guardian, eligible relative caretaker, or the spouses of any of the foregoing;

(4) age;

(5) immigration status, if related to eligibility;

(6) Social Security number, if given;

(7) counted income;

(8) spousal support and child support payments made to persons outside the household;

(9) residence; and

(10) inconsistent information, if related to eligibility.

(b) The county must mail a notice of approval or denial of assistance to the applicant within 30 calendar days after receiving the application. The county may extend the response time by 15 calendar days if the applicant is informed of the extension.

(c) For an applicant who declares that the applicant is homeless and who meets the definition of homeless in section 119B.011, subdivision 13b, the county must:

(1) if information is needed to determine eligibility, send a request for information to the applicant within five working days after receiving the application;

(2) if the applicant is eligible, send a notice of approval of assistance within five working days after receiving the application;

(3) if the applicant is ineligible, send a notice of denial of assistance within 30 days after receiving the application. The county may extend the response time by 15 calendar days if the applicant is informed of the extension;

(4) not require verifications required by paragraph (a) before issuing the notice of approval or denial; and

(5) follow limits set by the commissioner for how frequently expedited application processing may be used for an applicant who declares that the applicant is homeless.

(d) An applicant who declares that the applicant is homeless must submit proof of eligibility within three months of the date the application was received. If proof of eligibility is not submitted within three months, eligibility ends. A 15-day adverse action notice is required to end eligibility.

Sec. 5. Minnesota Statutes 2016, section 119B.03, subdivision 9, is amended to read:

Subd. 9. **Portability pool.** (a) The commissioner shall establish a pool of up to five percent of the annual appropriation for the basic sliding fee program to provide continuous child care assistance for eligible families who move between Minnesota counties. At the end of each allocation period, any unspent funds in the portability pool must be used for assistance under the basic sliding fee program. If expenditures from the portability pool exceed the amount of money available, the reallocation pool must be reduced to cover these shortages.

(b) ~~To be eligible for portable basic sliding fee assistance,~~ A family that has moved from a county in which it was receiving basic sliding fee assistance to a county with a waiting list for the basic sliding fee program must:

(1) meet the income and eligibility guidelines for the basic sliding fee program; and

(2) ~~notify the new county of residence within 60 days of moving and submit information to the new county of residence to verify eligibility for the basic sliding fee program~~ the family's previous county of residence of the family's move to a new county of residence.

(c) The receiving county must:

(1) accept administrative responsibility for applicants for portable basic sliding fee assistance at the end of the two months of assistance under the Unitary Residency Act;

(2) continue portability pool basic sliding fee assistance ~~for the lesser of six months or~~ until the family is able to receive assistance under the county's regular basic sliding program; and

(3) notify the commissioner through the quarterly reporting process of any family that meets the criteria of the portable basic sliding fee assistance pool.

Sec. 6. Minnesota Statutes 2017 Supplement, section 119B.095, is amended by adding a subdivision to read:

Subd. 3. **Assistance for persons who are experiencing homelessness.** An applicant who is homeless and eligible for child care assistance under this chapter is eligible for 60 hours of child care assistance per service period for three months from the date the county receives the application. Additional hours may be authorized as needed based on the applicant's participation in employment, education, or MFIP or DWP employment plan. To continue receiving child care assistance after the initial three months, the parent must verify that the parent meets eligibility and activity requirements for child care assistance under this chapter.

Sec. 7. Minnesota Statutes 2017 Supplement, section 119B.13, subdivision 1, is amended to read:

Subdivision 1. **Subsidy restrictions.** (a) Beginning ~~February 3, 2014~~ July 1, 2019, the maximum rate paid for child care assistance in any county or county price cluster under the child care fund shall be the greater of the 25th percentile of the ~~2014~~ 2016 child care provider rate survey under section 119B.02, subdivision 7, or the maximum rate effective November 28, 2014, rates in effect at the time of the update. For a child care provider located within the boundaries of a city located in two or more of the counties of Benton, Sherburne, and Stearns, the maximum rate paid for child care assistance shall be equal to the maximum rate paid in the county with the highest maximum reimbursement rates or the provider's charge, whichever is less. The commissioner may: (1) assign a county with no reported provider prices to a similar price cluster; and (2) consider county level access when determining final price clusters.

(b) A rate which includes a special needs rate paid under subdivision 3 may be in excess of the maximum rate allowed under this subdivision.

(c) The department shall monitor the effect of this paragraph on provider rates. The county shall pay the provider's full charges for every child in care up to the maximum established. The commissioner shall determine the maximum rate for each type of care on an hourly, full-day, and weekly basis, including special needs and disability care.

(d) If a child uses one provider, the maximum payment for one day of care must not exceed the daily rate. The maximum payment for one week of care must not exceed the weekly rate.

(e) If a child uses two providers under section 119B.097, the maximum payment must not exceed:

- (1) the daily rate for one day of care;
- (2) the weekly rate for one week of care by the child's primary provider; and
- (3) two daily rates during two weeks of care by a child's secondary provider.

(f) Child care providers receiving reimbursement under this chapter must not be paid activity fees or an additional amount above the maximum rates for care provided during nonstandard hours for families receiving assistance.

(g) If the provider charge is greater than the maximum provider rate allowed, the parent is responsible for payment of the difference in the rates in addition to any family co-payment fee.

(h) All maximum provider rates changes shall be implemented on the Monday following the effective date of the maximum provider rate.

(i) Notwithstanding Minnesota Rules, part 3400.0130, subpart 7, maximum registration fees in effect on January 1, 2013, shall remain in effect.

(j) For calendar year 2019, notwithstanding section 119B.03, subdivisions 6, 6a, and 6b, the commissioner must allocate the additional basic sliding fee child care funds for calendar year 2019 due to the updated provider rate survey under paragraph (a) to counties based on relative need to cover the maximum rate increases. In distributing the additional funds, the commissioner shall consider the following factors by county:

- (1) expenditures;
- (2) provider type;
- (3) age of children; and
- (4) amount of the increase in maximum rates.

Sec. 8. Minnesota Statutes 2017 Supplement, section 245A.06, subdivision 8, is amended to read:

Subd. 8. **Requirement to post ~~correction order~~ conditional license.** ~~(a)~~ For licensed family child care providers and child care centers, upon receipt of any ~~correction order or~~ order of conditional license issued by the commissioner under this section, and notwithstanding a pending request for reconsideration of the ~~correction order or~~ order of conditional license by the license holder, the license holder shall post the ~~correction order or~~ order of conditional license in a place that is conspicuous to the people receiving services and all visitors to the facility for two years. When the ~~correction order or~~ order of conditional license is accompanied by a maltreatment investigation memorandum prepared under section 626.556 or 626.557, the investigation memoranda must be posted with the ~~correction order or~~ order of conditional license.

~~(b) If the commissioner reverses or rescinds a violation in a correction order upon reconsideration under subdivision 2, the commissioner shall issue an amended correction order and the license holder shall post the amended order according to paragraph (a).~~

~~(c) If the correction order is rescinded or reversed in full upon reconsideration under subdivision 2, the license holder shall remove the original correction order posted according to paragraph (a).~~

Sec. 9. Minnesota Statutes 2017 Supplement, section 245A.50, subdivision 7, is amended to read:

Subd. 7. **Training requirements for family and group family child care.** (a) For purposes of family and group family child care, the license holder and each primary caregiver must complete 16 hours of ongoing training each year. For purposes of this subdivision, a primary caregiver is an adult caregiver who provides services in the licensed setting for more than 30 days in any 12-month period. Repeat of topical training requirements in subdivisions 2 to § 9 shall count toward the annual 16-hour training requirement. Additional ongoing training subjects to meet the annual 16-hour training requirement must be selected from the following areas:

- (1) child development and learning training under subdivision 2, paragraph (a);
- (2) developmentally appropriate learning experiences, including training in creating positive learning experiences, promoting cognitive development, promoting social and emotional development, promoting physical development, promoting creative development; and behavior guidance;
- (3) relationships with families, including training in building a positive, respectful relationship with the child's family;
- (4) assessment, evaluation, and individualization, including training in observing, recording, and assessing development; assessing and using information to plan; and assessing and using information to enhance and maintain program quality;
- (5) historical and contemporary development of early childhood education, including training in past and current practices in early childhood education and how current events and issues affect children, families, and programs;
- (6) professionalism, including training in knowledge, skills, and abilities that promote ongoing professional development; and
- (7) health, safety, and nutrition, including training in establishing healthy practices; ensuring safety; and providing healthy nutrition.

(b) A family or group family child care license holder or primary caregiver who is an approved trainer through the Minnesota Center for Professional Development and who conducts an approved training course through the Minnesota Center for Professional Development in any of the topical training in subdivisions 2 to 9 shall receive training credit for the training topic in the applicable annual period. Each hour of approved training conducted shall count toward the annual 16-hour training requirement.

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

Sec. 10. Minnesota Statutes 2016, section 256K.45, subdivision 2, is amended to read:

Subd. 2. **Homeless youth report.** The commissioner shall prepare a biennial report, beginning in February 2015, which provides meaningful information to the legislative committees having jurisdiction over the issue of homeless youth, that includes, but is not limited to: (1) a list of the areas of the state with the greatest need for services and housing for homeless youth, and the level and nature of the needs identified; (2) details about grants made; (3) the distribution of funds throughout the state based on population need; (4) follow-up information, if available, on the status of homeless youth and whether they have stable housing two years after services are provided; and (5) any other outcomes for populations served to determine the effectiveness of the programs and use of funding. The commissioner is exempt from preparing this report in 2019 and must instead update the 2007 report on homeless youth under section 16.

Sec. 11. **[256K.46] STABLE HOUSING AND SUPPORT SERVICES FOR VULNERABLE YOUTH.**

Subdivision 1. **Definitions.** For purposes of this section, the following terms have the meanings given them:

(a) "Eligible applicant" means a program licensed by the commissioner of human services to provide transitional housing and support services to youth. An eligible applicant must have staff on site 24 hours per day and must have established confidentiality protocols as required by state and federal law.

(b) "Living essentials" means clothing, toiletries, transportation, interpreters, other supplies, and services necessary for daily living.

(c) "Support services" has the meaning given in section 256E.33, subdivision 1, paragraph (b), and includes crisis intervention, conflict mediation, family reunification services, educational services, and employment resources.

(d) "Transitional housing" means secure shelter and housing that:

(1) is provided at low or no cost;

(2) is designed to assist people transitioning from homelessness, family or relationship violence, or sexual exploitation, to living independently in the community; and

(3) provides residents with regular staff interaction, supervision plans, and living skills training and assistance.

(e) "Vulnerable youth" means youth 13 years of age through 17 years of age who have reported histories of sexual exploitation or family or relationship violence. Vulnerable youth includes youth who are homeless and youth who are parents and their children.

Subd. 2. **Grants authorized.** The commissioner of human services may award grants to eligible applicants to plan, establish, or operate programs to provide transitional housing and support services to vulnerable youth. An applicant may apply for and the commissioner may award grants for two-year periods, and the commissioner shall determine the number of grants awarded. The commissioner may reallocate underspending among grantees within the same grant period.

Subd. 3. **Program variance.** For purposes of this grant program, the commissioner may grant a program variance under chapter 245A allowing a program licensed to provide transitional housing and support services to youth 16 years of age through 17 years of age to serve youth 13 years of age through 17 years of age.

Subd. 4. **Allocation of grants.** (a) An application must be on a form and contain information as specified by the commissioner but at a minimum must contain:

(1) a description of the purpose or project for which grant funds will be used;

(2) a description of the specific problem the grant funds are intended to address;

(3) a description of achievable objectives, a work plan, and a timeline for implementation and completion of processes or projects enabled by the grant;

(4) a description of the eligible applicant's existing frameworks and experience providing transitional housing and support services to vulnerable youth; and

(5) a proposed process for documenting and evaluating results of the grant.

(b) Grant funds allocated under this section may be used for purposes that include, but are not limited to, the following:

(1) transitional housing, meals, and living essentials for vulnerable youth and their children;

(2) support services;

(3) mental health and substance use disorder counseling;

(4) staff training;

(5) case management and referral services; and

(6) aftercare and follow-up services, including ongoing adult and peer support.

(c) The commissioner shall review each application to determine whether the application is complete and whether the applicant and the project are eligible for a grant. In evaluating applications, the commissioner shall establish criteria including, but not limited to:

(1) the eligibility of the applicant or project;

(2) the applicant's thoroughness and clarity in describing the problem grant funds are intended to address;

(3) a description of the population demographics and service area of the proposed project; and

(4) the proposed project's longevity and demonstrated financial sustainability after the initial grant period.

(d) In evaluating applications, the commissioner may request additional information regarding a proposed project, including information on project cost. An applicant's failure to provide the information requested disqualifies an applicant.

Subd. 5. Awarding of grants. The commissioner must notify grantees of awards by January 1, 2019.

Subd. 6. Update. The commissioner shall consult with providers serving homeless youth, sex-trafficked youth, or sexually exploited youth, including providers serving older youth under the Safe Harbor Act and Homeless Youth Act to make recommendations that resolve conflicting requirements placed on providers and foster best practices in delivering services to these populations of older youth. The recommendations may include the development of additional certifications not currently available under Minnesota Rules, chapter 2960. The commissioner shall provide an update on the stakeholder work and recommendations identified through this process to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services finance and policy by January 15, 2019.

Sec. 12. Minnesota Statutes 2016, section 256M.41, subdivision 3, is amended to read:

Subd. 3. Payments based on performance. (a) The commissioner shall make payments under this section to each county board on a calendar year basis in an amount determined under paragraph (b).

(b) Calendar year allocations under subdivision 1 shall be paid to counties in the following manner:

(1) 80 percent of the allocation as determined in subdivision 1 must be paid to counties on or before July 10 of each year;

(2) ten percent of the allocation shall be withheld until the commissioner determines if the county has met the performance outcome threshold of 90 percent based on face-to-face contact with alleged child victims. In order to receive the performance allocation, the county child protection workers must have a timely face-to-face contact with at least 90 percent of all alleged child victims of screened-in maltreatment reports. The standard requires that each initial face-to-face contact occur consistent with timelines defined in section 626.556, subdivision 10, paragraph (i). The commissioner shall make threshold determinations in January of each year and payments to counties meeting the performance outcome threshold shall occur in February of each year. Any withheld funds from this appropriation for counties that do not meet this requirement shall be ~~reallocated by the commissioner to those counties meeting the requirement~~ transferred to children and families operations for use under section 626.5591, subdivision 2, to support the Child Welfare Training Academy; and

(3) ten percent of the allocation shall be withheld until the commissioner determines that the county has met the performance outcome threshold of 90 percent based on face-to-face visits by the case manager. In order to receive the performance allocation, the total number of visits made by caseworkers on a monthly basis to children in foster care and children receiving child protection services while residing in their home must be at least 90 percent of the total number of such visits that would occur if every child were visited once per month. The commissioner shall make such determinations in January of each year and payments to counties meeting the performance outcome threshold shall occur in February of each year. Any withheld funds from this appropriation for counties that do not meet this requirement shall be ~~reallocated by the commissioner to those counties meeting the requirement~~ transferred to children and families operations for use under section 626.5591, subdivision 2, to support the Child Welfare Training Academy. For 2015, the commissioner shall only apply the standard for monthly foster care visits.

(c) The commissioner shall work with stakeholders and the Human Services Performance Council under section 402A.16 to develop recommendations for specific outcome measures that counties should meet in order to receive funds withheld under paragraph (b), and include in those recommendations a determination as to whether the performance measures under paragraph (b) should be modified or phased out. The commissioner shall report the recommendations to the legislative committees having jurisdiction over child protection issues by January 1, 2018.

Sec. 13. **[260C.81] MINN-LINK STUDY.**

(a) The commissioner of human services shall partner with the University of Minnesota's Minn-LInK statewide integrated administrative data project to conduct an annual study to understand characteristics, experiences, and outcomes of children and families served by the child welfare system. Minn-LInK researchers shall annually conduct research and provide research briefs, reports, and consultation to the Child Welfare Training Academy to inform the development and revision of training curriculum.

(b) The commissioner shall report a summary of the research results to the governor and to the committees in the house of representatives and senate with jurisdiction over human services annually by December 15.

Sec. 14. Minnesota Statutes 2016, section 518A.32, subdivision 3, is amended to read:

Subd. 3. **Parent not considered voluntarily unemployed, underemployed, or employed on a less than full-time basis.** A parent is not considered voluntarily unemployed, underemployed, or employed on a less than full-time basis upon a showing by the parent that:

(1) the unemployment, underemployment, or employment on a less than full-time basis is temporary and will ultimately lead to an increase in income;

(2) the unemployment, underemployment, or employment on a less than full-time basis represents a bona fide career change that outweighs the adverse effect of that parent's diminished income on the child; ~~or~~

(3) the unemployment, underemployment, or employment on a less than full-time basis is because a parent is physically or mentally incapacitated or due to incarceration, ~~except where the reason for incarceration is the parent's nonpayment of support; or~~

(4) the parent has been determined by an authorized government agency to be eligible to receive general assistance or Supplemental Security Income payments. Any income, not including public assistance payments, earned by the parent who is eligible for general assistance or Supplemental Security Income payments may be considered for the purpose of calculating child support.

Sec. 15. Minnesota Statutes 2016, section 518A.685, is amended to read:

518A.685 CONSUMER REPORTING AGENCY; REPORTING ARREARS.

(a) If a public authority determines that an obligor has not paid the current monthly support obligation plus any required arrearage payment for three months, the public authority must report this information to a consumer reporting agency.

(b) Before reporting that an obligor is in arrears for court-ordered child support, the public authority must:

(1) provide written notice to the obligor that the public authority intends to report the arrears to a consumer reporting agency; and

(2) mail the written notice to the obligor's last known mailing address at least 30 days before the public authority reports the arrears to a consumer reporting agency.

(c) The obligor may, within 21 days of receipt of the notice, do the following to prevent the public authority from reporting the arrears to a consumer reporting agency:

(1) pay the arrears in full; or

(2) request an administrative review. An administrative review is limited to issues of mistaken identity, a pending legal action involving the arrears, or an incorrect arrears balance.

~~(d) If the public authority has reported that an obligor is in arrears for court ordered child support and subsequently determines that the obligor has paid the court ordered child support arrears in full, or is paying the current monthly support obligation plus any required arrearage payment, the public authority must report to the consumer reporting agency that the obligor is currently paying child support as ordered by the court.~~

~~(e)~~ (d) A public authority that reports arrearage information under this section must make monthly reports to a consumer reporting agency. The monthly report must be consistent with credit reporting industry standards for child support.

~~(f)~~ (e) For purposes of this section, "consumer reporting agency" has the meaning given in section 13C.001, subdivision 4, and United States Code, title 15, section 1681a(f).

Sec. 16. **2018 REPORT TO LEGISLATURE ON HOMELESS YOUTH.**

Subdivision 1. **Report development.** In lieu of the biennial homeless youth report under Minnesota Statutes, section 256K.45, subdivision 2, the commissioner of human services shall update the information in the 2007 legislative report on runaway and homeless youth. In developing the updated report, the commissioner may use existing data, studies, and analysis provided by state, county, and other entities including, but not limited to:

(1) Minnesota Housing Finance Agency analysis on housing availability;

(2) Minnesota state plan to end homelessness;

(3) continuum of care counts of youth experiencing homelessness and assessments as provided by Department of Housing and Urban Development (HUD)-required coordinated entry systems;

(4) data collected through the Department of Human Services Homeless Youth Act grant program;

(5) Wilder Research homeless study;

(6) Voices of Youth Count sponsored by Hennepin County; and

(7) privately funded analysis, including:

(i) nine evidence-based principles to support youth in overcoming homelessness;

(ii) return on investment analysis conducted for YouthLink by Foldes Consulting; and

(iii) evaluation of Homeless Youth Act resources conducted by Rainbow Research.

Subd. 2. **Key elements; due date.** (a) The report may include three key elements where significant learning has occurred in the state since the 2007 report, including:

(1) unique causes of youth homelessness;

(2) targeted responses to youth homelessness, including significance of positive youth development as fundamental to each targeted response; and

(3) recommendations based on existing reports and analysis on what it will take to end youth homelessness.

(b) To the extent data is available, the report must include:

(1) general accounting of the federal and philanthropic funds leveraged to support homeless youth activities;

(2) general accounting of the increase in volunteer responses to support youth experiencing homelessness; and

(3) data-driven accounting of geographic areas or distinct populations that have gaps in service or are not yet served by homeless youth responses.

(c) The commissioner of human services may consult with community-based providers of homeless youth services and other expert stakeholders to complete the report. The commissioner shall submit the report to the chairs and ranking minority members of the legislative committees with jurisdiction over youth homelessness by February 15, 2019.

Sec. 17. **TASK FORCE ON CHILDHOOD TRAUMA-INFORMED POLICY AND PRACTICES.**

Subdivision 1. Establishment. The commissioner of human services must establish and appoint a task force on trauma-informed policy and practices to prevent and reduce children's exposure to adverse childhood experiences (ACEs) consisting of the following members:

- (1) the commissioners of human services, public safety, health, and education or the commissioners' designees;
- (2) two members representing law enforcement with expertise in juvenile justice;
- (3) two members representing county social services agencies;
- (4) four members, one representing each of the three ethnic councils established under Minnesota Statutes, section 15.0145, and one representing the Indian Affairs Council established under Minnesota Statutes, section 3.922;
- (5) two members representing tribal social services providers;
- (6) two members with expertise in prekindergarten through grade 12 education;
- (7) three licensed health care professionals with expertise in the neurobiology of childhood development representing public health, mental health, and primary health;
- (8) one member representing family service or children's mental health collaboratives;
- (9) two parents who had ACEs;
- (10) two ombudspersons from the Minnesota Office of Ombudsperson for Families; and
- (11) representatives of any other group the commissioner of human services deems appropriate to complete the duties of the task force.

Subd. 2. Staff. The commissioner of human services must provide meeting space, support staff, and administrative services for the task force.

Subd. 3. Duties. The task force must perform the following duties:

- (1) engage the human services, education, public health, juvenile justice, and criminal justice systems in the creation of trauma-informed policy and practices in each of these systems to prevent and reduce ACEs and to support the health and well-being of all families; and
- (2) identify social determinants of the health and well-being of all families and recommend solutions to eliminate racial and ethnic disparities in the state.

Subd. 4. Report. The task force must submit a report on the results of its duties outlined in subdivision 3 and any policy recommendations to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services, public safety, judiciary, and education by January 15, 2019.

Subd. 5. Expiration. The task force expires upon submission of the report required under subdivision 4.

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

Sec. 18. **CHILD WELFARE TRAINING ACADEMY.**

Subdivision 1. **Modifications.** (a) The commissioner of human services shall modify the Child Welfare Training System developed pursuant to Minnesota Statutes, section 626.5591, subdivision 2, as provided in this section. The new training framework shall be known as the Child Welfare Training Academy.

(b) The Child Welfare Training Academy shall be administered through five regional hubs in northwest, northeast, southwest, southeast, and central Minnesota. Each hub shall deliver training targeted to the needs of its particular region, taking into account varying demographics, resources, and practice outcomes.

(c) The Child Welfare Training Academy shall use training methods best suited to the training content. National best practices in adult learning must be used to the greatest extent possible, including online learning methodologies, coaching, mentoring, and simulated skill application.

(d) Each child welfare worker and supervisor shall be required to complete a certification, including a competency-based knowledge test and a skills demonstration, at the completion of the worker's initial training and biennially thereafter. The commissioner shall develop ongoing training requirements and a method for tracking certifications.

(e) Each regional hub shall have a regional organizational effectiveness specialist trained in continuous quality improvement strategies. The specialist shall provide organizational change assistance to counties and tribes, with priority given to efforts intended to impact child safety.

(f) The Child Welfare Training Academy shall include training and resources that address worker well-being and secondary traumatic stress.

(g) The Child Welfare Training Academy shall serve the primary training audiences of (1) county and tribal child welfare workers, (2) county and tribal child welfare supervisors, and (3) staff at private agencies providing out-of-home placement services for children involved in Minnesota's county and tribal child welfare system.

Subd. 2. **Partners.** (a) The commissioner of human services shall enter into a partnership with the University of Minnesota to collaborate in the administration of workforce training.

(b) The commissioner of human services shall enter into a partnership with one or more agencies to provide consultation, subject matter expertise, and capacity building in organizational resilience and child welfare workforce well-being.

Sec. 19. **CHILD WELFARE CASELOAD STUDY.**

(a) The commissioner of human services shall conduct a child welfare caseload study to collect data on (1) the number of child welfare workers in Minnesota, and (2) the amount of time that child welfare workers spend on different components of child welfare work. The study must be completed by July 1, 2019.

(b) The commissioner shall report the results of the child welfare caseload study to the governor and to the committees in the house of representatives and senate with jurisdiction over human services by December 1, 2019.

(c) After the child welfare caseload study is complete, the commissioner shall work with counties and other stakeholders to develop a process for ongoing monitoring of child welfare workers' caseloads.

Sec. 20. **RULEMAKING.**

The commissioner of human services may adopt rules as necessary to establish the Child Welfare Training Academy.

Sec. 21. **REVISOR'S INSTRUCTION.**

The revisor of statutes, in consultation with the Department of Human Services, House Research Department, and Senate Counsel, Research and Fiscal Analysis shall change the terms "food support" and "food stamps" to "Supplemental Nutrition Assistance Program" or "SNAP" in Minnesota Statutes and Minnesota Rules when appropriate. The revisor may make technical and other necessary changes to sentence structure to preserve the meaning of the text.

Sec. 22. **EFFECTIVE DATE.**

(a) Sections 1, 2, and 4 to 7 are effective as soon as practicable contingent upon:

(1) receipt of additional federal child care and development funds above the amount received in federal fiscal year 2017 appropriated in the federal Consolidated Appropriations Act of 2018, Public Law 115-141, and any subsequent federal appropriations, in an amount sufficient to cover the cost associated with the amendments to those sections through June 30, 2021; and

(2) satisfactory completion of the requirements in Minnesota Statutes, section 3.3005.

(b) If the additional federal child care and development funds are not sufficient to cover the cost of the amendments to sections 1, 2, and 4 to 7, those sections are effective upon implementation by the commissioner of human services.

The commissioner of human services shall prioritize implementation of those sections as follows:

(1) first priority is implementation of the amendments to Minnesota Statutes, sections 119B.011, subdivision 13b; 119B.025, subdivision 1; and 119B.095, subdivision 3;

(2) second priority is implementation of the amendments to Minnesota Statutes, section 119B.011, subdivision 20;

(3) third priority is implementation of the amendments to Minnesota Statutes, section 119B.03, subdivision 9; and

(4) fourth priority is implementation of the amendments to Minnesota Statutes, section 119B.13, subdivision 1.

(c) The commissioner of human services shall determine if the additional child care and development funds are sufficient by June 30, 2018, and notify the revisor of statutes when sections 1, 2, and 4 to 7 are effective.

ARTICLE 8
HEALTH LICENSING BOARDS

Section 1. Minnesota Statutes 2016, section 13.83, subdivision 2, is amended to read:

Subd. 2. **Public data.** Unless specifically classified otherwise by state statute or federal law, the following data created or collected by a medical examiner or coroner on a deceased individual are public: name of the deceased; date of birth; date of death; address; sex; race; citizenship; height; weight; hair color; eye color; build; complexion; age, if known, or approximate age; identifying marks, scars and amputations; a description of the decedent's

clothing; marital status; location of death including name of hospital where applicable; name of spouse; whether or not the decedent ever served in the armed forces of the United States; occupation; business; father's name (also birth name, if different); mother's name (also birth name, if different); birthplace; birthplace of parents; cause of death; causes of cause of death; whether an autopsy was performed and if so, whether it was conclusive; date and place of injury, if applicable, including work place; how injury occurred; whether death was caused by accident, suicide, homicide, or was of undetermined cause; certification of attendance by physician or advanced practice registered nurse; physician's or advanced practice registered nurse's name and address; certification by coroner or medical examiner; name and signature of coroner or medical examiner; type of disposition of body; burial place name and location, if applicable; date of burial, cremation or removal; funeral home name and address; and name of local register or funeral director.

Sec. 2. Minnesota Statutes 2016, section 144.651, subdivision 21, is amended to read:

Subd. 21. **Communication privacy.** Patients and residents may associate and communicate privately with persons of their choice and enter and, except as provided by the Minnesota Commitment Act, leave the facility as they choose. Patients and residents shall have access, at their expense, to writing instruments, stationery, and postage. Personal mail shall be sent without interference and received unopened unless medically or programmatically contraindicated and documented by the physician or advanced practice registered nurse in the medical record. There shall be access to a telephone where patients and residents can make and receive calls as well as speak privately. Facilities which are unable to provide a private area shall make reasonable arrangements to accommodate the privacy of patients' or residents' calls. Upon admission to a facility where federal law prohibits unauthorized disclosure of patient or resident identifying information to callers and visitors, the patient or resident, or the legal guardian or conservator of the patient or resident, shall be given the opportunity to authorize disclosure of the patient's or resident's presence in the facility to callers and visitors who may seek to communicate with the patient or resident. To the extent possible, the legal guardian or conservator of a patient or resident shall consider the opinions of the patient or resident regarding the disclosure of the patient's or resident's presence in the facility. This right is limited where medically inadvisable, as documented by the attending physician or advanced practice registered nurse in a patient's or resident's care record. Where programmatically limited by a facility abuse prevention plan pursuant to section 626.557, subdivision 14, paragraph (b), this right shall also be limited accordingly.

Sec. 3. Minnesota Statutes 2016, section 144A.26, is amended to read:

144A.26 RECIPROCITY WITH OTHER STATES AND EQUIVALENCY OF HEALTH SERVICES EXECUTIVE.

Subdivision 1. **Reciprocity.** The Board of Examiners may issue a nursing home administrator's license, without examination, to any person who holds a current license as a nursing home administrator from another jurisdiction if the board finds that the standards for licensure in the other jurisdiction are at least the substantial equivalent of those prevailing in this state and that the applicant is otherwise qualified.

Subd. 2. **Health services executive license.** The Board of Examiners may issue a health services executive license to any person who (1) has been validated by the National Association of Long Term Care Administrator Boards as a health services executive, and (2) has met the education and practice requirements for the minimum qualifications of a nursing home administrator, assisted living administrator, and home and community-based service provider. Licensure decisions made by the board under this subdivision are final.

Sec. 4. Minnesota Statutes 2016, section 144A.4791, subdivision 13, is amended to read:

Subd. 13. **Request for discontinuation of life-sustaining treatment.** (a) If a client, family member, or other caregiver of the client requests that an employee or other agent of the home care provider discontinue a life-sustaining treatment, the employee or agent receiving the request:

(1) shall take no action to discontinue the treatment; and

(2) shall promptly inform the supervisor or other agent of the home care provider of the client's request.

(b) Upon being informed of a request for termination of treatment, the home care provider shall promptly:

(1) inform the client that the request will be made known to the physician or advanced practice registered nurse who ordered the client's treatment;

(2) inform the physician or advanced practice registered nurse of the client's request; and

(3) work with the client and the client's physician or advanced practice registered nurse to comply with the provisions of the Health Care Directive Act in chapter 145C.

(c) This section does not require the home care provider to discontinue treatment, except as may be required by law or court order.

(d) This section does not diminish the rights of clients to control their treatments, refuse services, or terminate their relationships with the home care provider.

(e) This section shall be construed in a manner consistent with chapter 145B or 145C, whichever applies, and declarations made by clients under those chapters.

Sec. 5. **[148.2855] NURSE LICENSURE COMPACT.**

The Nurse Licensure Compact is enacted into law and entered into with all other jurisdictions legally joining in it, in the form substantially as follows:

ARTICLE I DEFINITIONS

As used in this compact:

(a) "Adverse action" means any administrative, civil, equitable, or criminal action permitted by a state's law that is imposed by a licensing board or other authority against a nurse, including actions against an individual's license or multistate licensure privilege such as revocation, suspension, probation, monitoring of the licensee, limitation on the licensee's practice, or any other encumbrance on licensure affecting a nurse's authorization to practice, including issuance of a cease and desist action.

(b) "Alternative program" means a nondisciplinary monitoring program approved by a licensing board.

(c) "Coordinated licensure information system" means an integrated process for collecting, storing, and sharing information on nurse licensure and enforcement activities related to nurse licensure laws that is administered by a nonprofit organization composed of and controlled by licensing boards.

(d) "Current significant investigative information" means:

(1) investigative information that a licensing board, after a preliminary inquiry that includes notification and an opportunity for the nurse to respond, if required by state law, has reason to believe is not groundless and, if proved true, would indicate more than a minor infraction; or

(2) investigative information that indicates that the nurse represents an immediate threat to public health and safety, regardless of whether the nurse has been notified and had an opportunity to respond.

(e) "Encumbrance" means a revocation or suspension of, or any limitation on, the full and unrestricted practice of nursing imposed by a licensing board.

(f) "Home state" means the party state which is the nurse's primary state of residence.

(g) "Licensing board" means a party state's regulatory body responsible for issuing nurse licenses.

(h) "Multistate license" means a license to practice as a registered or a licensed practical/vocational nurse (LPN/VN) issued by a home state licensing board that authorizes the licensed nurse to practice in all party states under a multistate licensure privilege.

(i) "Multistate licensure privilege" means a legal authorization associated with a multistate license permitting the practice of nursing as either a registered nurse (RN) or licensed practical/vocational nurse (LPN/VN) in a remote state.

(j) "Nurse" means a registered nurse (RN) or licensed practical/vocational nurse (LPN/VN), as those terms are defined by each party state's practice laws.

(k) "Party state" means any state that has adopted this compact.

(l) "Remote state" means a party state, other than the home state.

(m) "Single-state license" means a nurse license issued by a party state that authorizes practice only within the issuing state and does not include a multistate licensure privilege to practice in any other party state.

(n) "State" means a state, territory, or possession of the United States and the District of Columbia.

(o) "State practice laws" means a party state's laws, rules, and regulations that govern the practice of nursing, define the scope of nursing practice, and create the methods and grounds for imposing discipline. State practice laws do not include requirements necessary to obtain and retain a license, except for qualifications or requirements of the home state.

ARTICLE II GENERAL PROVISIONS AND JURISDICTION

(a) A multistate license to practice registered or licensed practical/vocational nursing issued by a home state to a resident in that state will be recognized by each party state as authorizing a nurse to practice as an RN or as a LPN/VN under a multistate licensure privilege in each party state.

(b) A state must implement procedures for considering the criminal history records of applicants for initial multistate license or licensure by endorsement. Such procedures shall include the submission of fingerprints or other biometric-based information by applicants for the purpose of obtaining an applicant's criminal history record information from the Federal Bureau of Investigation and the agency responsible for retaining that state's criminal records.

(c) Each party state shall require the following for an applicant to obtain or retain a multistate license in the home state:

(1) meets the home state's qualifications for licensure or renewal of licensure, as well as all other applicable state laws;

(2)(i) has graduated or is eligible to graduate from a licensing board-approved RN or LPN/VN prelicensure education program; or

(ii) has graduated from a foreign RN or LPN/VN prelicensure education program that:

(A) has been approved by the authorized accrediting body in the applicable country; and

(B) has been verified by an independent credentials review agency to be comparable to a licensing board-approved prelicensure education program;

(3) has, if a graduate of a foreign prelicensure education program not taught in English or if English is not the individual's native language, successfully passed an English proficiency examination that includes the components of reading, speaking, writing, and listening;

(4) has successfully passed an NCLEX-RN or NCLEX-PN Examination or recognized predecessor, as applicable;

(5) is eligible for or holds an active, unencumbered license;

(6) has submitted, in connection with an application for initial licensure or licensure by endorsement, fingerprints, or other biometric data for the purpose of obtaining criminal history record information from the Federal Bureau of Investigation and the agency responsible for retaining that state's criminal records;

(7) has not been convicted or found guilty, or has entered into an agreed disposition, of a felony offense under applicable state or federal criminal law;

(8) has not been convicted or found guilty, or has entered into an agreed disposition, of a misdemeanor offense related to the practice of nursing as determined on a case-by-case basis;

(9) is not currently enrolled in an alternative program;

(10) is subject to self-disclosure requirements regarding current participation in an alternative program; and

(11) has a valid United States Social Security number.

(d) All party states shall be authorized, in accordance with existing state due process law, to take adverse action against a nurse's multistate licensure privilege such as revocation, suspension, probation, or any other action that affects a nurse's authorization to practice under a multistate licensure privilege, including cease and desist actions. If a party state takes such action, it shall promptly notify the administrator of the coordinated licensure information system. The administrator of the coordinated licensure information system shall promptly notify the home state of any such actions by remote states.

(e) A nurse practicing in a party state must comply with the state practice laws of the state in which the client is located at the time service is provided. The practice of nursing is not limited to patient care, but shall include all nursing practice as defined by the state practice laws of the party state in which the client is located. The practice of nursing in a party state under a multistate licensure privilege will subject a nurse to the jurisdiction of the licensing board, the courts, and the laws of the party state in which the client is located at the time service is provided.

(f) Individuals not residing in a party state shall continue to be able to apply for a party state's single-state license as provided under the laws of each party state. However, the single-state license granted to these individuals will not be recognized as granting the privilege to practice nursing in any other party state. Nothing in this compact shall affect the requirements established by a party state for the issuance of a single-state license.

(g) Any nurse holding a home state multistate license, on the effective date of this compact, may retain and renew the multistate license issued by the nurse's then-current home state, provided that:

(1) a nurse, who changes primary state of residence after this compact's effective date, must meet all applicable paragraph (c) requirements to obtain a multistate license from a new home state; or

(2) a nurse who fails to satisfy the multistate licensure requirements in paragraph (c) due to a disqualifying event occurring after this compact's effective date shall be ineligible to retain or renew a multistate license, and the nurse's multistate license shall be revoked or deactivated in accordance with applicable rules adopted by the Interstate Commission of Nurse Licensure Compact Administrators ("Commission").

ARTICLE III APPLICATIONS FOR LICENSURE IN A PARTY STATE

(a) Upon application for a multistate license, the licensing board in the issuing party state shall ascertain, through the coordinated licensure information system, whether the applicant has ever held, or is the holder of, a license issued by any other state, whether there are any encumbrances on any license or multistate licensure privilege held by the applicant, whether any adverse action has been taken against any license or multistate licensure privilege held by the applicant, and whether the applicant is currently participating in an alternative program.

(b) A nurse may hold a multistate license, issued by the home state, in only one party state at a time.

(c) If a nurse changes primary state of residence by moving between two party states, the nurse must apply for licensure in the new home state, and the multistate license issued by the prior home state will be deactivated in accordance with applicable rules adopted by the commission:

(1) the nurse may apply for licensure in advance of a change in primary state of residence; and

(2) a multistate license shall not be issued by the new home state until the nurse provides satisfactory evidence of a change in primary state of residence to the new home state and satisfies all applicable requirements to obtain a multistate license from the new home state.

(d) If a nurse changes primary state of residence by moving from a party state to a nonparty state, the multistate license issued by the prior home state will convert to a single-state license, valid only in the former home state.

ARTICLE IV ADDITIONAL AUTHORITIES INVESTED IN PARTY STATE LICENSING BOARDS

(a) In addition to the other powers conferred by state law, a licensing board shall have the authority to:

(1) take adverse action against a nurse's multistate licensure privilege to practice within that party state:

(i) only the home state shall have the power to take adverse action against a nurse's license issued by the home state; and

(ii) for purposes of taking adverse action, the home state licensing board shall give the same priority and effect to reported conduct received from a remote state as it would if such conduct occurred within the home state. In so doing, the home state shall apply its own state laws to determine appropriate action;

(2) issue cease and desist orders or impose an encumbrance on a nurse's authority to practice within that party state;

(3) complete any pending investigations of a nurse who changes primary state of residence during the course of such investigations. The licensing board shall also have the authority to take appropriate action(s) and shall promptly report the conclusions of such investigations to the administrator of the coordinated licensure information system. The administrator of the coordinated licensure information system shall promptly notify the new home state of any such actions;

(4) issue subpoenas for both hearings and investigations that require the attendance and testimony of witnesses, as well as the production of evidence. Subpoenas issued by a licensing board in a party state for the attendance and testimony of witnesses or the production of evidence from another party state shall be enforced in the latter state by any court of competent jurisdiction, according to the practice and procedure of that court applicable to subpoenas issued in proceedings pending before it. The issuing authority shall pay any witness fees, travel expenses, mileage, and other fees required by the service statutes of the state in which the witnesses or evidence are located;

(5) obtain and submit, for each nurse licensure applicant, fingerprint, or other biometric-based information to the Federal Bureau of Investigation for criminal background checks, receive the results of the Federal Bureau of Investigation record search on criminal background checks, and use the results in making licensure decisions;

(6) if otherwise permitted by state law, recover from the affected nurse the costs of investigations and disposition of cases resulting from any adverse action taken against that nurse; and

(7) take adverse action based on the factual findings of the remote state, provided that the licensing board follows its own procedures for taking such adverse action.

(b) If adverse action is taken by the home state against a nurse's multistate license, the nurse's multistate licensure privilege to practice in all other party states shall be deactivated until all encumbrances have been removed from the multistate license. All home state disciplinary orders that impose adverse action against a nurse's multistate license shall include a statement that the nurse's multistate licensure privilege is deactivated in all party states during the pendency of the order.

(c) Nothing in this compact shall override a party state's decision that participation in an alternative program may be used in lieu of adverse action. The home state licensing board shall deactivate the multistate licensure privilege under the multistate license of any nurse for the duration of the nurse's participation in an alternative program.

ARTICLE V
COORDINATED LICENSURE INFORMATION SYSTEM
AND EXCHANGE OF INFORMATION

(a) All party states shall participate in a coordinated licensure information system of all licensed registered nurses (RNs) and licensed practical/vocational nurses (LPN/VNs). This system will include information on the licensure and disciplinary history of each nurse, as submitted by party states, to assist in the coordination of nurse licensure and enforcement efforts.

(b) The commission, in consultation with the administrator of the coordinated licensure information system, shall formulate necessary and proper procedures for the identification, collection, and exchange of information under this compact.

(c) All licensing boards shall promptly report to the coordinated licensure information system any adverse action, any current significant investigative information, denials of applications, including the reasons for such denials, and nurse participation in alternative programs known to the licensing board, regardless of whether such participation is deemed nonpublic or confidential under state law.

(d) Current significant investigative information and participation in nonpublic or confidential alternative programs shall be transmitted through the coordinated licensure information system only to party state licensing boards.

(e) Notwithstanding any other provision of law, all party state licensing boards contributing information to the coordinated licensure information system may designate information that may not be shared with nonparty states or disclosed to other entities or individuals without the express permission of the contributing state.

(f) Any personally identifiable information obtained from the coordinated licensure information system by a party state licensing board shall not be shared with nonparty states or disclosed to other entities or individuals except to the extent permitted by the laws of the party state contributing the information.

(g) Any information contributed to the coordinated licensure information system that is subsequently required to be expunged by the laws of the party state contributing that information shall also be expunged from the coordinated licensure information system.

(h) The compact administrator of each party state shall furnish a uniform data set to the compact administrator of each other party state, which shall include, at a minimum:

(1) identifying information;

(2) licensure data;

(3) information related to alternative program participation; and

(4) other information that may facilitate the administration of this compact, as determined by commission rules.

(i) The compact administrator of a party state shall provide all investigative documents and information requested by another party state.

ARTICLE VI
ESTABLISHMENT OF THE INTERSTATE COMMISSION OF NURSE LICENSURE
COMPACT ADMINISTRATORS

(a) The party states hereby create and establish a joint public entity known as the Interstate Commission of Nurse Licensure Compact Administrators:

(1) the commission is an instrumentality of the party states;

(2) venue is proper, and judicial proceedings by or against the commission shall be brought solely and exclusively, in a court of competent jurisdiction where the principal office of the commission is located. The commission may waive venue and jurisdictional defenses to the extent it adopts or consents to participate in alternative dispute resolution proceedings; and

(3) nothing in this compact shall be construed to be a waiver of sovereign immunity.

(b) Membership, voting, and meetings:

(1) each party state shall have and be limited to one administrator. The head of the state licensing board or designee shall be the administrator of this compact for each party state. Any administrator may be removed or suspended from office as provided by the law of the state from which the administrator is appointed. Any vacancy occurring in the commission shall be filled in accordance with the laws of the party state in which the vacancy exists;

(2) each administrator shall be entitled to one vote with regard to the promulgation of rules and creation of bylaws and shall otherwise have an opportunity to participate in the business and affairs of the commission. An administrator shall vote in person or by such other means as provided in the bylaws. The bylaws may provide for an administrator's participation in meetings by telephone or other means of communication;

(3) the commission shall meet at least once during each calendar year. Additional meetings shall be held as set forth in the bylaws or rules of the commission;

(4) all meetings shall be open to the public, and public notice of meetings shall be given in the same manner as required under the rulemaking provisions in article VII;

(5) the commission may convene in a closed, nonpublic meeting if the commission must discuss:

(i) noncompliance of a party state with its obligations under this compact;

(ii) the employment, compensation, discipline, or other personnel matters, practices, or procedures related to specific employees or other matters related to the commission's internal personnel practices and procedures;

(iii) current, threatened, or reasonably anticipated litigation;

(iv) negotiation of contracts for the purchase or sale of goods, services, or real estate;

(v) accusing any person of a crime or formally censuring any person;

(vi) disclosure of trade secrets or commercial or financial information that is privileged or confidential;

(vii) disclosure of information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy;

(viii) disclosure of investigatory records compiled for law enforcement purposes;

(ix) disclosure of information related to any reports prepared by or on behalf of the commission for the purpose of investigation of compliance with this compact; or

(x) matters specifically exempted from disclosure by federal or state statute; and

(6) if a meeting, or portion of a meeting, is closed pursuant to this provision, the commission's legal counsel or designee shall certify that the meeting may be closed and shall reference each relevant exempting provision. The commission shall keep minutes that fully and clearly describe all matters discussed in a meeting and shall provide a full and accurate summary of actions taken, and the reasons therefore, including a description of the views expressed. All documents considered in connection with an action shall be identified in minutes. All minutes and documents of a closed meeting shall remain under seal, subject to release by a majority vote of the commission or order of a court of competent jurisdiction.

(c) The commission shall, by a majority vote of the administrators, prescribe bylaws or rules to govern its conduct as may be necessary or appropriate to carry out the purposes and exercise the powers of this compact, including, but not limited to:

(1) establishing the fiscal year of the commission;

(2) providing reasonable standards and procedures:

(i) for the establishment and meetings of other committees; and

(ii) governing any general or specific delegation of any authority or function of the commission;

(3) providing reasonable procedures for calling and conducting meetings of the commission, ensuring reasonable advance notice of all meetings and providing an opportunity for attendance of such meetings by interested parties, with enumerated exceptions designed to protect the public's interest, the privacy of individuals, and proprietary information, including trade secrets. The commission may meet in closed session only after a majority of the administrators vote to close a meeting in whole or in part. As soon as practicable, the commission must make public a copy of the vote to close the meeting revealing the vote of each administrator, with no proxy votes allowed;

(4) establishing the titles, duties, and authority and reasonable procedures for the election of the officers of the commission;

(5) providing reasonable standards and procedures for the establishment of the personnel policies and programs of the commission. Notwithstanding any civil service or other similar laws of any party state, the bylaws shall exclusively govern the personnel policies and programs of the commission; and

(6) providing a mechanism for winding up the operations of the commission and the equitable disposition of any surplus funds that may exist after the termination of this compact after the payment or reserving of all of its debts and obligations.

(d) The commission shall publish its bylaws and rules, and any amendments thereto, in a convenient form on the Web site of the commission.

(e) The commission shall maintain its financial records in accordance with the bylaws.

(f) The commission shall meet and take actions as are consistent with the provisions of this compact and the bylaws.

(g) The commission shall have the following powers:

(1) to promulgate uniform rules to facilitate and coordinate implementation and administration of this compact. The rules shall have the force and effect of law and shall be binding in all party states;

(2) to bring and prosecute legal proceedings or actions in the name of the commission, provided that the standing of any licensing board to sue or be sued under applicable law shall not be affected;

(3) to purchase and maintain insurance and bonds;

(4) to borrow, accept, or contract for services of personnel, including, but not limited to, employees of a party state or nonprofit organizations;

(5) to cooperate with other organizations that administer state compacts related to the regulation of nursing, including, but not limited to, sharing administrative or staff expenses, office space, or other resources;

(6) to hire employees, elect or appoint officers, fix compensation, define duties, grant such individuals appropriate authority to carry out the purposes of this compact, and to establish the commission's personnel policies and programs relating to conflicts of interest, qualifications of personnel, and other related personnel matters;

(7) to accept any and all appropriate donations, grants, and gifts of money, equipment, supplies, materials, and services, and to receive, utilize, and dispose of the same; provided that at all times the commission shall avoid any appearance of impropriety or conflict of interest;

(8) to lease, purchase, accept appropriate gifts or donations of, or otherwise to own, hold, improve, or use any property, whether real, personal, or mixed; provided that at all times the commission shall avoid any appearance of impropriety;

(9) to sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of any property, whether real, personal, or mixed;

(10) to establish a budget and make expenditures;

(11) to borrow money;

(12) to appoint committees, including advisory committees comprised of administrators, state nursing regulators, state legislators or their representatives, and consumer representatives, and other such interested persons;

(13) to provide and receive information from, and to cooperate with, law enforcement agencies;

(14) to adopt and use an official seal; and

(15) to perform such other functions as may be necessary or appropriate to achieve the purposes of this Compact consistent with the state regulation of nurse licensure and practice.

(h) Financing of the commission:

(1) the commission shall pay, or provide for the payment of, the reasonable expenses of its establishment, organization, and ongoing activities;

(2) the commission may also levy on and collect an annual assessment from each party state to cover the cost of its operations, activities, and staff in its annual budget as approved each year. The aggregate annual assessment amount, if any, shall be allocated based upon a formula to be determined by the commission, which shall promulgate a rule that is binding upon all party states;

(3) the commission shall not incur obligations of any kind prior to securing the funds adequate to meet the same; nor shall the commission pledge the credit of any of the party states, except by, and with the authority of, such party state; and

(4) the commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the commission shall be subject to the audit and accounting procedures established under its bylaws. However, all receipts and disbursements of funds handled by the commission shall be audited yearly by a certified or licensed public accountant, and the report of the audit shall be included in and become part of the annual report of the commission.

(i) Qualified immunity, defense, and indemnification:

(1) the administrators, officers, executive director, employees, and representatives of the commission shall be immune from suit and liability, either personally or in their official capacity, for any claim for damage to or loss of property or personal injury or other civil liability caused by or arising out of any actual or alleged act, error, or omission that occurred, or that the person against whom the claim is made had a reasonable basis for believing occurred, within the scope of commission employment, duties, or responsibilities; provided that nothing in this paragraph shall be construed to protect any such person from suit or liability for any damage, loss, injury, or liability caused by the intentional, willful, or wanton misconduct of that person;

(2) the commission shall defend any administrator, officer, executive director, employee, or representative of the commission in any civil action seeking to impose liability arising out of any actual or alleged act, error, or omission that occurred within the scope of commission employment, duties, or responsibilities, or that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities; provided that nothing herein shall be construed to prohibit that person from retaining his or her own counsel; and provided further that the actual or alleged act, error, or omission did not result from that person's intentional, willful, or wanton misconduct; and

(3) the commission shall indemnify and hold harmless any administrator, officer, executive director, employee, or representative of the commission for the amount of any settlement or judgment obtained against that person arising out of any actual or alleged act, error, or omission that occurred within the scope of commission employment, duties, or responsibilities, or that such person had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities, provided that the actual or alleged act, error, or omission did not result from the intentional, willful, or wanton misconduct of that person.

ARTICLE VII
RULEMAKING

(a) The commission shall exercise its rulemaking powers pursuant to the criteria set forth in this article and the rules adopted thereunder. Rules and amendments shall become binding as of the date specified in each rule or amendment and shall have the same force and effect as provisions of this compact.

(b) Rules or amendments to the rules shall be adopted at a regular or special meeting of the commission.

(c) Prior to promulgation and adoption of a final rule or rules by the commission, and at least 60 days in advance of the meeting at which the rule will be considered and voted upon, the commission shall file a notice of proposed rulemaking:

(1) on the Web site of the commission; and

(2) on the Web site of each licensing board or the publication in which state would otherwise publish proposed rules.

(d) The notice of proposed rulemaking shall include:

(1) the proposed time, date, and location of the meeting in which the rule will be considered and voted upon;

(2) the text of the proposed rule or amendment, and the reason for the proposed rule;

(3) a request for comments on the proposed rule from any interested person; and

(4) the manner in which interested persons may submit notice to the commission of their intention to attend the public hearing and any written comments.

(e) Prior to adoption of a proposed rule, the commission shall allow persons to submit written data, facts, opinions, and arguments, which shall be made available to the public.

(f) The commission shall grant an opportunity for a public hearing before it adopts a rule or amendment.

(g) The commission shall publish the place, time, and date of the scheduled public hearing:

(1) hearings shall be conducted in a manner providing each person who wishes to comment a fair and reasonable opportunity to comment orally or in writing. All hearings will be recorded, and a copy will be made available upon request; and

(2) nothing in this section shall be construed as requiring a separate hearing on each rule. Rules may be grouped for the convenience of the commission at hearings required by this section.

(h) If no one appears at the public hearing, the commission may proceed with promulgation of the proposed rule.

(i) Following the scheduled hearing date, or by the close of business on the scheduled hearing date if the hearing was not held, the commission shall consider all written and oral comments received.

(j) The commission shall, by majority vote of all administrators, take final action on the proposed rule and shall determine the effective date of the rule, if any, based on the rulemaking record and the full text of the rule.

(k) Upon determination that an emergency exists, the commission may consider and adopt an emergency rule without prior notice, opportunity for comment or hearing, provided that the usual rulemaking procedures provided in this compact and in this section shall be retroactively applied to the rule as soon as reasonably possible, in no event later than 90 days after the effective date of the rule. For the purposes of this provision, an emergency rule is one that must be adopted immediately in order to:

(1) meet an imminent threat to public health, safety, or welfare;

(2) prevent a loss of commission or party state funds; or

(3) meet a deadline for the promulgation of an administrative rule that is required by federal law or rule.

(l) The commission may direct revisions to a previously adopted rule or amendment for purposes of correcting typographical errors, errors in format, errors in consistency, or grammatical errors. Public notice of any revisions shall be posted on the Web site of the commission. The revision shall be subject to challenge by any person for a

period of 30 days after posting. The revision may be challenged only on grounds that the revision results in a material change to a rule. A challenge shall be made in writing, and delivered to the commission prior to the end of the notice period. If no challenge is made, the revision will take effect without further action. If the revision is challenged, the revision may not take effect without the approval of the commission.

ARTICLE VIII OVERSIGHT, DISPUTE RESOLUTION, AND ENFORCEMENT

(a) Oversight:

(1) each party state shall enforce this compact and take all actions necessary and appropriate to effectuate this compact's purposes and intent; and

(2) the commission shall be entitled to receive service of process in any proceeding that may affect the powers, responsibilities, or actions of the commission, and shall have standing to intervene in such a proceeding for all purposes. Failure to provide service of process in such proceeding to the commission shall render a judgment or order void as to the commission, this compact, or promulgated rules.

(b) Default, technical assistance, and termination:

(1) if the commission determines that a party state has defaulted in the performance of its obligations or responsibilities under this compact or the promulgated rules, the commission shall:

(i) provide written notice to the defaulting state and other party states of the nature of the default, the proposed means of curing the default or any other action to be taken by the commission; and

(ii) provide remedial training and specific technical assistance regarding the default;

(2) if a state in default fails to cure the default, the defaulting state's membership in this compact may be terminated upon an affirmative vote of a majority of the administrators, and all rights, privileges, and benefits conferred by this compact may be terminated on the effective date of termination. A cure of the default does not relieve the offending state of obligations or liabilities incurred during the period of default;

(3) termination of membership in this compact shall be imposed only after all other means of securing compliance have been exhausted. Notice of intent to suspend or terminate shall be given by the commission to the governor of the defaulting state and to the executive officer of the defaulting state's licensing board and each of the party states;

(4) a state whose membership in this compact has been terminated is responsible for all assessments, obligations, and liabilities incurred through the effective date of termination, including obligations that extend beyond the effective date of termination;

(5) the commission shall not bear any costs related to a state that is found to be in default or whose membership in this compact has been terminated, unless agreed upon in writing between the commission and the defaulting state; and

(6) the defaulting state may appeal the action of the commission by petitioning the U.S. District Court for the District of Columbia or the federal district in which the commission has its principal offices. The prevailing party shall be awarded all costs of such litigation, including reasonable attorneys' fees.

(c) Dispute resolution:

(1) upon request by a party state, the commission shall attempt to resolve disputes related to the compact that arise among party states and between party and nonparty states;

(2) the commission shall promulgate a rule providing for both mediation and binding dispute resolution for disputes, as appropriate; and

(3) in the event the commission cannot resolve disputes among party states arising under this compact:

(i) the party states may submit the issues in dispute to an arbitration panel, which will be comprised of individuals appointed by the compact administrator in each of the affected party states and an individual mutually agreed upon by the compact administrators of all the party states involved in the dispute; and

(ii) the decision of a majority of the arbitrators shall be final and binding.

(d) Enforcement:

(1) the commission, in the reasonable exercise of its discretion, shall enforce the provisions and rules of this compact;

(2) by majority vote, the commission may initiate legal action in the U.S. District Court for the District of Columbia or the federal district in which the commission has its principal offices against a party state that is in default to enforce compliance with the provisions of this compact and its promulgated rules and bylaws. The relief sought may include both injunctive relief and damages. In the event judicial enforcement is necessary, the prevailing party shall be awarded all costs of such litigation, including reasonable attorneys' fees; and

(3) the remedies herein shall not be the exclusive remedies of the commission. The commission may pursue any other remedies available under federal or state law.

ARTICLE IX
EFFECTIVE DATE, WITHDRAWAL, AND AMENDMENT

(a) This compact shall become effective and binding on the earlier of the date of legislative enactment of this compact into law by no less than 26 states or December 31, 2018. All party states to this compact, that also were parties to the prior Nurse Licensure Compact, superseded by this compact, ("prior compact"), shall be deemed to have withdrawn from said prior compact within six months after the effective date of this compact.

(b) Each party state to this compact shall continue to recognize a nurse's multistate licensure privilege to practice in that party state issued under the prior compact until such party state has withdrawn from the prior compact.

(c) Any party state may withdraw from this compact by enacting a statute repealing the same. A party state's withdrawal shall not take effect until six months after enactment of the repealing statute.

(d) A party state's withdrawal or termination shall not affect the continuing requirement of the withdrawing or terminated state's licensing board to report adverse actions and significant investigations occurring prior to the effective date of such withdrawal or termination.

(e) Nothing contained in this compact shall be construed to invalidate or prevent any nurse licensure agreement or other cooperative arrangement between a party state and a nonparty state that is made in accordance with the other provisions of this compact.

(f) This compact may be amended by the party states. No amendment to this compact shall become effective and binding upon the party states, unless and until it is enacted into the laws of all party states.

(g) Representatives of nonparty states to this compact shall be invited to participate in the activities of the commission, on a nonvoting basis, prior to the adoption of this compact by all states.

ARTICLE X CONSTRUCTION AND SEVERABILITY

This compact shall be liberally construed so as to effectuate the purposes thereof. The provisions of this compact shall be severable, and if any phrase, clause, sentence, or provision of this compact is declared to be contrary to the constitution of any party state or of the United States, or if the applicability thereof to any government, agency, person, or circumstance is held invalid, the validity of the remainder of this compact and the applicability thereof to any government, agency, person, or circumstance shall not be affected thereby. If this compact shall be held to be contrary to the constitution of any party state, this compact shall remain in full force and effect as to the remaining party states and in full force and effect as to the party state affected as to all severable matters.

EFFECTIVE DATE. This section is effective upon implementation of the coordinated licensure information system defined in Minnesota Statutes, section 148.2855, article V, but no sooner than July 1, 2019.

Sec. 6. [148.2856] APPLICATION OF NURSE LICENSURE COMPACT TO EXISTING LAWS.

(a) Section 148.2855 does not relieve employers of nurses from complying with statutorily imposed obligations.

(b) Section 148.2855 does not supersede existing state labor laws.

(c) For purposes of the Minnesota Government Data Practices Act, chapter 13, an individual not licensed as a nurse under sections 148.171 to 148.285 who practices professional or practical nursing in Minnesota under the authority of section 148.2855 is considered to be a licensee of the board.

(d) Proceedings brought against an individual's multistate privilege shall be adjudicated following the procedures listed in sections 14.50 to 14.62 and shall be subject to judicial review as provided for in sections 14.63 to 14.69.

(e) The reporting requirements of sections 144.4175, 148.263, 626.52, and 626.557 apply to individuals not licensed as registered or licensed practical nurses under sections 148.171 to 148.285 who practice professional or practical nursing in Minnesota under the authority of section 148.2855.

(f) The board may take action against an individual's multistate privilege based on the grounds listed in section 148.261, subdivision 1, and any other statute authorizing or requiring the board to take corrective or disciplinary action.

(g) The board may take all forms of disciplinary action provided for in section 148.262, subdivision 1, and corrective action provided for in section 214.103, subdivision 6, against an individual's multistate privilege.

(h) The immunity provisions of section 148.264, subdivision 1, apply to individuals who practice professional or practical nursing in Minnesota under the authority of section 148.2855.

(i) The cooperation requirements of section 148.265 apply to individuals who practice professional or practical nursing in Minnesota under the authority of section 148.2855.

(j) The provisions of section 148.283 shall not apply to individuals who practice professional or practical nursing in Minnesota under the authority of section 148.2855.

(k) Complaints against individuals who practice professional or practical nursing in Minnesota under the authority of section 148.2855 shall be handled as provided in sections 214.10 and 214.103.

EFFECTIVE DATE. This section is effective upon implementation of the coordinated licensure information system defined in Minnesota Statutes, section 148.2855, article V, but no sooner than July 1, 2019.

Sec. 7. **[148.2858] MISCELLANEOUS PROVISIONS.**

(a) For the purposes of section 148.2855, "head of the Nurse Licensing Board" means the executive director of the board.

(b) The Board of Nursing shall have the authority to recover from a nurse practicing professional or practical nursing in Minnesota under the authority of section 148.2855 the costs of investigation and disposition of cases resulting from any adverse action taken against the nurse.

EFFECTIVE DATE. This section is effective upon implementation of the coordinated licensure information system defined in Minnesota Statutes, section 148.2855, article V, but no sooner than July 1, 2019.

Sec. 8. Minnesota Statutes 2016, section 148.59, is amended to read:

148.59 LICENSE RENEWAL; LICENSE AND REGISTRATION FEES.

A licensed optometrist shall pay to the state Board of Optometry a fee as set by the board in order to renew a license as provided by board rule. No fees shall be refunded. Fees may not exceed the following amounts but may be adjusted lower by board direction and are for the exclusive use of the board:

- (1) optometry licensure application, \$160;
- (2) optometry annual licensure renewal, ~~\$135~~ \$170;
- (3) optometry late penalty fee, \$75;
- (4) annual license renewal card, \$10;
- (5) continuing education provider application, \$45;
- (6) emeritus registration, \$10;
- (7) endorsement/reciprocity application, \$160;
- (8) replacement of initial license, \$12; ~~and~~
- (9) license verification, \$50_;
- (10) jurisprudence state examination, \$75;
- (11) Optometric Education Continuing Education data bank registration, \$20; and
- (12) data requests and labels, \$50.

Sec. 9. Minnesota Statutes 2016, section 148E.180, is amended to read:

148E.180 FEE AMOUNTS.

Subdivision 1. **Application fees.** Nonrefundable application fees for licensure ~~are as follows~~ may not exceed the following amounts but may be adjusted lower by board action:

- (1) for a licensed social worker, ~~\$45~~ \$75;
- (2) for a licensed graduate social worker, ~~\$45~~ \$75;
- (3) for a licensed independent social worker, ~~\$45~~ \$75;
- (4) for a licensed independent clinical social worker, ~~\$45~~ \$75;
- (5) for a temporary license, \$50; and
- (6) for a licensure by endorsement, ~~\$85~~ \$115.

The fee for criminal background checks is the fee charged by the Bureau of Criminal Apprehension. The criminal background check fee must be included with the application fee as required according to section 148E.055.

Subd. 2. **License fees.** Nonrefundable license fees ~~are as follows~~ may not exceed the following amounts but may be adjusted lower by board action:

- (1) for a licensed social worker, ~~\$81~~ \$115;
- (2) for a licensed graduate social worker, ~~\$144~~ \$210;
- (3) for a licensed independent social worker, ~~\$216~~ \$305;
- (4) for a licensed independent clinical social worker, ~~\$238.50~~ \$335;
- (5) for an emeritus inactive license, ~~\$43.20~~ \$65;
- (6) for an emeritus active license, one-half of the renewal fee specified in subdivision 3; and
- (7) for a temporary leave fee, the same as the renewal fee specified in subdivision 3.

If the licensee's initial license term is less or more than 24 months, the required license fees must be prorated proportionately.

Subd. 3. **Renewal fees.** Nonrefundable renewal fees for licensure ~~are as follows~~ the two-year renewal term may not exceed the following amounts but may be adjusted lower by board action:

- (1) for a licensed social worker, ~~\$81~~ \$115;
- (2) for a licensed graduate social worker, ~~\$144~~ \$210;
- (3) for a licensed independent social worker, ~~\$216~~ \$305; and

(4) for a licensed independent clinical social worker, ~~\$238.50~~ \$335.

Subd. 4. **Continuing education provider fees.** Continuing education provider fees are ~~as follows~~ the following nonrefundable amounts:

(1) for a provider who offers programs totaling one to eight clock hours in a one-year period according to section 148E.145, \$50;

(2) for a provider who offers programs totaling nine to 16 clock hours in a one-year period according to section 148E.145, \$100;

(3) for a provider who offers programs totaling 17 to 32 clock hours in a one-year period according to section 148E.145, \$200;

(4) for a provider who offers programs totaling 33 to 48 clock hours in a one-year period according to section 148E.145, \$400; and

(5) for a provider who offers programs totaling 49 or more clock hours in a one-year period according to section 148E.145, \$600.

Subd. 5. **Late fees.** Late fees are ~~as follows~~ the following nonrefundable amounts:

(1) renewal late fee, one-fourth of the renewal fee specified in subdivision 3;

(2) supervision plan late fee, \$40; and

(3) license late fee, \$100 plus the prorated share of the license fee specified in subdivision 2 for the number of months during which the individual practiced social work without a license.

Subd. 6. **License cards and wall certificates.** (a) The fee for a license card as specified in section 148E.095 is \$10.

(b) The fee for a license wall certificate as specified in section 148E.095 is \$30.

Subd. 7. **Reactivation fees.** Reactivation fees are ~~as follows~~ the following nonrefundable amounts:

(1) reactivation from a temporary leave or emeritus status, the prorated share of the renewal fee specified in subdivision 3; and

(2) reactivation of an expired license, 1-1/2 times the renewal fees specified in subdivision 3.

Sec. 10. Minnesota Statutes 2016, section 150A.06, subdivision 1a, is amended to read:

Subd. 1a. **Faculty dentists.** (a) Faculty members of a school of dentistry must be licensed in order to practice dentistry as defined in section 150A.05. The board may issue to members of the faculty of a school of dentistry a license designated as either a "limited faculty license" or a "full faculty license" entitling the holder to practice dentistry within the terms described in paragraph (b) or (c). The dean of a school of dentistry and program directors of a Minnesota dental hygiene, dental therapy, or dental assisting school accredited by the Commission on Dental Accreditation shall certify to the board those members of the school's faculty who practice dentistry but are not licensed to practice dentistry in Minnesota. A faculty member who practices dentistry as defined in section 150A.05, before beginning duties in a school of dentistry ~~or a~~ dental therapy, dental hygiene, or dental assisting ~~school~~, shall apply to the board for a limited or full faculty license. Pursuant to Minnesota Rules, chapter 3100, and

at the discretion of the board, a limited faculty license must be renewed annually and a full faculty license must be renewed biennially. The faculty applicant shall pay a nonrefundable fee set by the board for issuing and renewing the faculty license. The faculty license is valid during the time the holder remains a member of the faculty of a school of dentistry ~~or a~~ dental therapy, dental hygiene, or dental assisting ~~school~~ and subjects the holder to this chapter.

(b) The board may issue to dentist members of the faculty of a Minnesota school of dentistry, dental therapy, dental hygiene, or dental assisting accredited by the Commission on Dental Accreditation, a license designated as a limited faculty license entitling the holder to practice dentistry within the school and its affiliated teaching facilities, but only for the purposes of teaching or conducting research. The practice of dentistry at a school facility for purposes other than teaching or research is not allowed unless the dentist was a faculty member on August 1, 1993.

(c) The board may issue to dentist members of the faculty of a Minnesota school of dentistry, dental therapy, dental hygiene, or dental assisting accredited by the Commission on Dental Accreditation a license designated as a full faculty license entitling the holder to practice dentistry within the school and its affiliated ~~teaching~~ facilities ~~and elsewhere~~ if the holder of the license is employed ~~50 percent time or more~~ full time by the school in the practice of teaching, supervising, or research, and upon successful review by the board of the applicant's qualifications as described in subdivisions 1, 1c, and 4 and board rule. The board, at its discretion, may waive specific licensing prerequisites.

Sec. 11. Minnesota Statutes 2016, section 150A.06, is amended by adding a subdivision to read:

Subd. 10. **Emeritus inactive license.** (a) A dental professional licensed under this chapter to practice dentistry, dental therapy, dental hygiene, or dental assisting who retires from active practice in the state may apply to the board for an emeritus inactive license. An applicant must apply for an emeritus inactive license on the biennial licensing form or by petitioning the board.

(b) The board shall not grant an emeritus inactive license to an applicant who is the subject of a disciplinary action resulting in the current suspension, revocation, disqualification, condition, or restriction of the applicant's license to practice dentistry, dental therapy, dental hygiene, or dental assisting.

(c) An emeritus inactive licensee is prohibited from practicing dentistry, dental therapy, dental hygiene, or dental assisting. An emeritus inactive license is a formal recognition of completion of the licensee's dental career in good standing.

(d) The board shall charge a onetime fee for issuance of an emeritus inactive license, pursuant to section 150A.091.

Sec. 12. Minnesota Statutes 2016, section 150A.06, is amended by adding a subdivision to read:

Subd. 11. **Emeritus active license.** (a) A dental professional licensed to practice dentistry, dental therapy, dental hygiene, or dental assisting, pursuant to section 150A.05 and Minnesota Rules, part 3100.8500, who declares retirement from active practice in the state may apply to the board for an emeritus active license. An applicant must apply for an emeritus active license on a form as required by the board.

(b) An emeritus active licensee may engage only in pro bono or volunteer practice, paid practice not to exceed 240 hours per calendar year for the purpose of providing license supervision to meet board requirements, and paid consulting services not to exceed 240 hours per calendar year.

(c) An emeritus active licensee is prohibited from representing that the licensee is authorized to engage in any practice except as provided in paragraph (b). The board may take disciplinary or corrective action against an emeritus active licensee as provided in section 150A.08.

(d) An emeritus active license must be renewed biennially. The renewal requirements for an emeritus active license are:

(1) completion of a renewal form as required by the board;

(2) payment of a renewal fee pursuant to section 150A.091; and

(3) reporting of 25 completed continuing education hours, which must include:

(i) courses in two required CORE areas;

(ii) one hour of credit on infection control;

(iii) for emeritus active licenses in dentistry and dental therapy, at least 15 fundamental credits and no more than ten elective credits; and

(iv) for emeritus active licenses in dental hygiene and dental assisting, at least seven fundamental credits and no more than six elective credits.

Sec. 13. Minnesota Statutes 2016, section 150A.091, is amended by adding a subdivision to read:

Subd. 19. **Emeritus inactive license.** Each applicant shall submit with an application for an emeritus inactive license a onetime, nonrefundable fee in the amount of \$50.

Sec. 14. Minnesota Statutes 2016, section 150A.091, is amended by adding a subdivision to read:

Subd. 20. **Emeritus active license.** Each applicant shall submit with an application for an emeritus inactive license, and each emeritus active licensee shall submit with a renewal application, a nonrefundable fee as follows:

(1) for an emeritus active license in dentistry, \$212;

(2) for an emeritus active license in dental therapy, \$100;

(3) for an emeritus active license in dental hygiene, \$75; and

(4) for an emeritus active license in dental assisting, \$55.

Sec. 15. Minnesota Statutes 2016, section 151.15, is amended by adding a subdivision to read:

Subd. 5. **Receipt of emergency prescription orders.** A pharmacist, when that pharmacist is not present within a licensed pharmacy, may accept a written, verbal, or electronic prescription drug order from a practitioner only if:

(1) the prescription drug order is for an emergency situation where waiting for the licensed pharmacy from which the prescription will be dispensed to open would likely cause the patient to experience significant physical harm or discomfort;

(2) the pharmacy from which the prescription drug order will be dispensed is closed for business;

(3) the pharmacist has been designated to be on call for the licensed pharmacy that will fill the prescription drug order;

(4) in the case of an electronic prescription drug order, the order must be received through secure and encrypted electronic means;

(5) the pharmacist takes reasonable precautions to ensure that the prescription drug order will be handled in a manner consistent with federal and state statutes regarding the handling of protected health information; and

(6) the pharmacy from which the prescription drug order will be dispensed has relevant and appropriate policies and procedures in place and makes them available to the board upon request.

Sec. 16. Minnesota Statutes 2016, section 151.15, is amended by adding a subdivision to read:

Subd. 6. **Processing of emergency prescription orders.** A pharmacist, when that pharmacist is not present within a licensed pharmacy, may access a pharmacy prescription processing system through secure and encrypted electronic means in order to process an emergency prescription accepted pursuant to subdivision 5 only if:

(1) the pharmacy from which the prescription drug order will be dispensed is closed for business;

(2) the pharmacist has been designated to be on call for the licensed pharmacy that will fill the prescription drug order;

(3) the prescription drug order is for a patient of a long-term care facility or a county correctional facility;

(4) the prescription drug order is processed pursuant to this chapter and rules adopted under this chapter; and

(5) the pharmacy from which the prescription drug order will be dispensed has relevant and appropriate policies and procedures in place and makes them available to the board upon request.

Sec. 17. Minnesota Statutes 2016, section 151.19, subdivision 1, is amended to read:

Subdivision 1. **Pharmacy licensure requirements.** (a) No person shall operate a pharmacy without first obtaining a license from the board and paying any applicable fee specified in section 151.065. The license shall be displayed in a conspicuous place in the pharmacy for which it is issued and expires on June 30 following the date of issue. It is unlawful for any person to operate a pharmacy unless the license has been issued to the person by the board.

(b) Application for a pharmacy license under this section shall be made in a manner specified by the board.

(c) No license shall be issued or renewed for a pharmacy located within the state unless the applicant agrees to operate the pharmacy in a manner prescribed by federal and state law and according to rules adopted by the board. No license shall be issued for a pharmacy located outside of the state unless the applicant agrees to operate the pharmacy in a manner prescribed by federal law and, when dispensing medications for residents of this state, the laws of this state, and Minnesota Rules.

(d) No license shall be issued or renewed for a pharmacy that is required to be licensed or registered by the state in which it is physically located unless the applicant supplies the board with proof of such licensure or registration.

(e) The board shall require a separate license for each pharmacy located within the state and for each pharmacy located outside of the state at which any portion of the dispensing process occurs for drugs dispensed to residents of this state.

(f) The board shall not issue an initial or renewed license for a pharmacy unless the pharmacy passes an inspection conducted by an authorized representative of the board. In the case of a pharmacy located outside of the state, the board may require the applicant to pay the cost of the inspection, in addition to the license fee in section 151.065, unless the applicant furnishes the board with a report, issued by the appropriate regulatory agency of the state in which the facility is located, of an inspection that has occurred within the 24 months immediately preceding receipt of the license application by the board. The board may deny licensure unless the applicant submits documentation satisfactory to the board that any deficiencies noted in an inspection report have been corrected.

(g) The board shall not issue an initial or renewed license for a pharmacy located outside of the state unless the applicant discloses and certifies:

(1) the location, names, and titles of all principal corporate officers and all pharmacists who are involved in dispensing drugs to residents of this state;

(2) that it maintains its records of drugs dispensed to residents of this state so that the records are readily retrievable from the records of other drugs dispensed;

(3) that it agrees to cooperate with, and provide information to, the board concerning matters related to dispensing drugs to residents of this state;

(4) that, during its regular hours of operation, but no less than six days per week, for a minimum of 40 hours per week, a toll-free telephone service is provided to facilitate communication between patients in this state and a pharmacist at the pharmacy who has access to the patients' records; the toll-free number must be disclosed on the label affixed to each container of drugs dispensed to residents of this state; and

(5) that, upon request of a resident of a long-term care facility located in this state, the resident's authorized representative, or a contract pharmacy or licensed health care facility acting on behalf of the resident, the pharmacy will dispense medications prescribed for the resident in unit-dose packaging or, alternatively, comply with section 151.415, subdivision 5.

(h) This subdivision does not apply to a manufacturer licensed under section 151.252, subdivision 1, a wholesale drug distributor licensed under section 151.47, or a third-party logistics provider, to the extent the manufacturer, wholesale drug distributor, or third-party logistics provider is engaged in the distribution of dialysate or devices necessary to perform home peritoneal dialysis on patients with end-stage renal disease, if:

(1) the manufacturer or its agent leases or owns the licensed manufacturing or wholesaling facility from which the dialysate or devices will be delivered;

(2) the dialysate is comprised of dextrose or icodextrin and has been approved by the United States Food and Drug Administration;

(3) the dialysate is stored and delivered in its original, sealed, and unopened manufacturer's packaging;

(4) the dialysate or devices are delivered only upon:

(i) receipt of a physician's order by a Minnesota licensed pharmacy; and

(ii) the review and processing of the prescription by a pharmacist licensed by the state in which the pharmacy is located, who is employed by or under contract to the pharmacy;

(5) prescriptions, policies, procedures, and records of delivery are maintained by the manufacturer for a minimum of three years and are made available to the board upon request; and

(6) the manufacturer or the manufacturer's agent delivers the dialysate or devices directly to:

(i) a patient with end-stage renal disease for whom the prescription was written or the patient's designee, for the patient's self-administration of the dialysis therapy; or

(ii) a health care provider or institution, for administration or delivery of the dialysis therapy to a patient with end-stage renal disease for whom the prescription was written.

Sec. 18. Minnesota Statutes 2016, section 151.46, is amended to read:

151.46 PROHIBITED DRUG PURCHASES OR RECEIPT.

It is unlawful for any person to knowingly purchase or receive a prescription drug from a source other than a person or entity licensed under the laws of the state, except where otherwise provided. Licensed wholesale drug distributors other than pharmacies shall not dispense or distribute prescription drugs directly to patients except for licensed facilities that dispense or distribute home peritoneal dialysis products directly to patients pursuant to section 151.19, subdivision 1, paragraph (h). A person violating the provisions of this section is guilty of a misdemeanor.

Sec. 19. Minnesota Statutes 2016, section 214.075, subdivision 1, is amended to read:

Subdivision 1. **Applications.** ~~(a) By January 1, 2018, Each health-related licensing board, as defined in section 214.01, subdivision 2, shall require applicants for initial licensure, licensure by endorsement, or reinstatement or other relicensure after a lapse in licensure, as defined by the individual health-related licensing boards, the following individuals~~ to submit to a criminal history records check of state data completed by the Bureau of Criminal Apprehension (BCA) and a national criminal history records check, including a search of the records of the Federal Bureau of Investigation (FBI);

(1) applicants for initial licensure or licensure by endorsement. An applicant is exempt from this paragraph if the applicant submitted to a state and national criminal history records check as described in this paragraph for a license issued by the same board;

(2) applicants seeking reinstatement or relicensure, as defined by the individual health-related licensing board, if more than one year has elapsed since the applicant's license or registration expiration date; or

(3) licensees applying for eligibility to participate in an interstate licensure compact.

~~(b) An applicant must complete a criminal background check if more than one year has elapsed since the applicant last submitted a background check to the board. An applicant's criminal background check results are valid for one year from the date the background check results were received by the board. If more than one year has elapsed since the results were received by the board, then an applicant who has not completed the licensure, reinstatement, or relicensure process must complete a new background check.~~

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

Sec. 20. Minnesota Statutes 2016, section 214.075, subdivision 4, is amended to read:

Subd. 4. **Refusal to consent.** (a) The health-related licensing boards shall not issue a license to any applicant who refuses to consent to a criminal background check or fails to submit fingerprints ~~within 90 days~~ after submission of an application for licensure. Any fees paid by the applicant to the board shall be forfeited if the applicant refuses to consent to the criminal background check or fails to submit the required fingerprints.

(b) The failure of a licensee to submit to a criminal background check as provided in subdivision 3 is grounds for disciplinary action by the respective health-related licensing board.

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

Sec. 21. Minnesota Statutes 2016, section 214.075, subdivision 5, is amended to read:

Subd. 5. **Submission of fingerprints to the Bureau of Criminal Apprehension.** The health-related licensing board or designee shall submit applicant or licensee fingerprints to the BCA. The BCA shall perform a check for state criminal justice information and shall forward the applicant's or licensee's fingerprints to the FBI to perform a check for national criminal justice information regarding the applicant or licensee. The BCA shall report to the board the results of the state and national criminal ~~justice information~~ history records checks.

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

Sec. 22. Minnesota Statutes 2016, section 214.075, subdivision 6, is amended to read:

Subd. 6. **Alternatives to fingerprint-based criminal background checks.** The health-related licensing board may require an alternative method of criminal history checks for an applicant or licensee who has submitted at least ~~three~~ two sets of fingerprints in accordance with this section that have been unreadable by the BCA or the FBI.

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

Sec. 23. Minnesota Statutes 2016, section 214.077, is amended to read:

214.077 TEMPORARY LICENSE SUSPENSION; IMMINENT RISK OF SERIOUS HARM.

(a) Notwithstanding any provision of a health-related professional practice act, when a health-related licensing board receives a complaint regarding a regulated person and has probable cause to believe that the regulated person has violated a statute or rule that the health-related licensing board is empowered to enforce, and continued practice by the regulated person presents an imminent risk of serious harm, the health-related licensing board shall issue an order temporarily suspending the regulated person's authority to practice. The temporary suspension order shall specify the reason for the suspension, including the statute or rule alleged to have been violated. The temporary suspension order shall take effect upon personal service on the regulated person or the regulated person's attorney, or upon the third calendar day after the order is served by first class mail to the most recent address provided to the health-related licensing board for the regulated person or the regulated person's attorney.

(b) The temporary suspension shall remain in effect until the health-related licensing board or the commissioner completes an investigation, holds a contested case hearing pursuant to the Administrative Procedure Act, and issues a final order in the matter as provided for in this section.

(c) At the time it issues the temporary suspension order, the health-related licensing board shall schedule a contested case hearing, on the merits of whether discipline is warranted, to be held pursuant to the Administrative Procedure Act. The regulated person shall be provided with at least ten days' notice of any contested case hearing held pursuant to this section. The contested case hearing shall be scheduled to begin no later than 30 days after the effective service of the temporary suspension order.

(d) The administrative law judge presiding over the contested case hearing shall issue a report and recommendation to the health-related licensing board no later than 30 days after the final day of the contested case hearing. If the administrative law judge's report and recommendations are for no action, the health-related licensing board shall issue a final order pursuant to sections 14.61 and 14.62 within 30 days of receipt of the administrative law judge's report and recommendations. If the administrative law judge's report and recommendations are for action, the health-related licensing board shall issue a final order pursuant to sections 14.61 and 14.62 within 60 days of receipt of the administrative law judge's report and recommendations. Except as provided in paragraph (e), if the health-related licensing board has not issued a final order pursuant to sections 14.61 and 14.62 within 30 days of receipt of the administrative law judge's report and recommendations for no action or within 60 days of receipt of the administrative law judge's report and recommendations for action, the temporary suspension shall be lifted.

(e) If the regulated person requests a delay in the contested case proceedings provided for in paragraphs (c) and (d) for any reason, the temporary suspension shall remain in effect until the health-related licensing board issues a final order pursuant to sections 14.61 and 14.62.

(f) This section shall not apply to the Office of Unlicensed Complementary and Alternative Health Practice established under section 146A.02. The commissioner of health shall conduct temporary suspensions for complementary and alternative health care practitioners in accordance with section 146A.09.

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

Sec. 24. Minnesota Statutes 2016, section 214.10, subdivision 8, is amended to read:

Subd. 8. **Special requirements for health-related licensing boards.** In addition to the provisions of this section that apply to all examining and licensing boards, the requirements in this subdivision apply to all health-related licensing boards, except the Board of Veterinary Medicine.

(a) If the executive director or consulted board member determines that a communication received alleges a violation of statute or rule that involves sexual contact with a patient or client, the communication shall be forwarded to the designee of the attorney general for an investigation of the facts alleged in the communication. If, after an investigation it is the opinion of the executive director or consulted board member that there is sufficient evidence to justify disciplinary action, the board shall conduct a disciplinary conference or hearing. If, after a hearing or disciplinary conference the board determines that misconduct involving sexual contact with a patient or client occurred, the board shall take disciplinary action. Notwithstanding subdivision 2, a board may not attempt to correct improper activities or redress grievances through education, conciliation, and persuasion, unless in the opinion of the executive director or consulted board member there is insufficient evidence to justify disciplinary action. The board may settle a case by stipulation prior to, or during, a hearing if the stipulation provides for disciplinary action.

(b) A board member who has a direct current or former financial connection or professional relationship to a person who is the subject of board disciplinary activities must not participate in board activities relating to that case.

(c) Each health-related licensing board shall establish procedures for exchanging information with other Minnesota state boards, agencies, and departments responsible for regulating health-related occupations, facilities, and programs, and for coordinating investigations involving matters within the jurisdiction of more than one regulatory body. The procedures must provide for the forwarding to other regulatory bodies of all information and evidence, including the results of investigations, that are relevant to matters within that licensing body's regulatory jurisdiction. Each health-related licensing board shall have access to any data of the Department of Human Services relating to a person subject to the jurisdiction of the licensing board. The data shall have the same classification under chapter 13, the Minnesota Government Data Practices Act, in the hands of the agency receiving the data as it had in the hands of the Department of Human Services.

(d) Each health-related licensing board shall establish procedures for exchanging information with other states regarding disciplinary actions against licensees. The procedures must provide for the collection of information from other states about disciplinary actions taken against persons who are licensed to practice in Minnesota or who have applied to be licensed in this state and the dissemination of information to other states regarding disciplinary actions taken in Minnesota. In addition to any authority in chapter 13 permitting the dissemination of data, the board may, in its discretion, disseminate data to other states regardless of its classification under chapter 13. Criminal history record information shall not be exchanged. Before transferring any data that is not public, the board shall obtain reasonable assurances from the receiving state that the data will not be made public.

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

Sec. 25. Minnesota Statutes 2016, section 214.12, is amended by adding a subdivision to read:

Subd. 6. Opioid and controlled substances prescribing. (a) The Board of Medical Practice, the Board of Nursing, the Board of Dentistry, the Board of Optometry, and the Board of Podiatric Medicine shall require that licensees with the authority to prescribe controlled substances obtain at least two hours of continuing education credit on best practices in prescribing opioids and controlled substances, as part of the continuing education requirements for licensure renewal. Licensees shall not be required to complete more than two credit hours of continuing education on best practices in prescribing opioids and controlled substances before this subdivision expires. Continuing education credit on best practices in prescribing opioids and controlled substances must meet board requirements.

(b) This subdivision expires January 1, 2023.

EFFECTIVE DATE. This section is effective January 1, 2019.

Sec. 26. Minnesota Statutes 2017 Supplement, section 245G.22, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For purposes of this section, the terms defined in this subdivision have the meanings given them.

(b) "Diversion" means the use of a medication for the treatment of opioid addiction being diverted from intended use of the medication.

(c) "Guest dose" means administration of a medication used for the treatment of opioid addiction to a person who is not a client of the program that is administering or dispensing the medication.

(d) "Medical director" means a physician licensed to practice medicine in the jurisdiction that the opioid treatment program is located who assumes responsibility for administering all medical services performed by the program, either by performing the services directly or by delegating specific responsibility to (1) authorized program physicians and; (2) advanced practice registered nurses, when approved by variance by the State Opioid Treatment Authority under section 254A.03 and the federal Substance Abuse and Mental Health Services Administration; or (3) health care professionals functioning under the medical director's direct supervision.

(e) "Medication used for the treatment of opioid use disorder" means a medication approved by the Food and Drug Administration for the treatment of opioid use disorder.

(f) "Minnesota health care programs" has the meaning given in section 256B.0636.

(g) "Opioid treatment program" has the meaning given in Code of Federal Regulations, title 42, section 8.12, and includes programs licensed under this chapter.

(h) "Placing authority" has the meaning given in Minnesota Rules, part 9530.6605, subpart 21a.

(i) "Unsupervised use" means the use of a medication for the treatment of opioid use disorder dispensed for use by a client outside of the program setting.

Sec. 27. Minnesota Statutes 2016, section 256.975, subdivision 7b, is amended to read:

Subd. 7b. **Exemptions and emergency admissions.** (a) Exemptions from the federal screening requirements outlined in subdivision 7a, paragraphs (b) and (c), are limited to:

(1) a person who, having entered an acute care facility from a certified nursing facility, is returning to a certified nursing facility; or

(2) a person transferring from one certified nursing facility in Minnesota to another certified nursing facility in Minnesota.

(b) Persons who are exempt from preadmission screening for purposes of level of care determination include:

(1) persons described in paragraph (a);

(2) an individual who has a contractual right to have nursing facility care paid for indefinitely by the Veterans Administration;

(3) an individual enrolled in a demonstration project under section 256B.69, subdivision 8, at the time of application to a nursing facility; and

(4) an individual currently being served under the alternative care program or under a home and community-based services waiver authorized under section 1915(c) of the federal Social Security Act.

(c) Persons admitted to a Medicaid-certified nursing facility from the community on an emergency basis as described in paragraph (d) or from an acute care facility on a nonworking day must be screened the first working day after admission.

(d) Emergency admission to a nursing facility prior to screening is permitted when all of the following conditions are met:

(1) a person is admitted from the community to a certified nursing or certified boarding care facility during Senior LinkAge Line nonworking hours;

(2) a physician or advanced practice registered nurse has determined that delaying admission until preadmission screening is completed would adversely affect the person's health and safety;

(3) there is a recent precipitating event that precludes the client from living safely in the community, such as sustaining an injury, sudden onset of acute illness, or a caregiver's inability to continue to provide care;

(4) the attending physician or advanced practice registered nurse has authorized the emergency placement and has documented the reason that the emergency placement is recommended; and

(5) the Senior LinkAge Line is contacted on the first working day following the emergency admission.

Transfer of a patient from an acute care hospital to a nursing facility is not considered an emergency except for a person who has received hospital services in the following situations: hospital admission for observation, care in an emergency room without hospital admission, or following hospital 24-hour bed care and from whom admission is being sought on a nonworking day.

(e) A nursing facility must provide written information to all persons admitted regarding the person's right to request and receive long-term care consultation services as defined in section 256B.0911, subdivision 1a. The information must be provided prior to the person's discharge from the facility and in a format specified by the commissioner.

Sec. 28. Minnesota Statutes 2016, section 256B.0575, subdivision 1, is amended to read:

Subdivision 1. **Income deductions.** When an institutionalized person is determined eligible for medical assistance, the income that exceeds the deductions in paragraphs (a) and (b) must be applied to the cost of institutional care.

(a) The following amounts must be deducted from the institutionalized person's income in the following order:

(1) the personal needs allowance under section 256B.35 or, for a veteran who does not have a spouse or child, or a surviving spouse of a veteran having no child, the amount of an improved pension received from the veteran's administration not exceeding \$90 per month;

(2) the personal allowance for disabled individuals under section 256B.36;

(3) if the institutionalized person has a legally appointed guardian or conservator, five percent of the recipient's gross monthly income up to \$100 as reimbursement for guardianship or conservatorship services;

(4) a monthly income allowance determined under section 256B.058, subdivision 2, but only to the extent income of the institutionalized spouse is made available to the community spouse;

(5) a monthly allowance for children under age 18 which, together with the net income of the children, would provide income equal to the medical assistance standard for families and children according to section 256B.056, subdivision 4, for a family size that includes only the minor children. This deduction applies only if the children do not live with the community spouse and only to the extent that the deduction is not included in the personal needs allowance under section 256B.35, subdivision 1, as child support garnished under a court order;

(6) a monthly family allowance for other family members, equal to one-third of the difference between 122 percent of the federal poverty guidelines and the monthly income for that family member;

(7) reparations payments made by the Federal Republic of Germany and reparations payments made by the Netherlands for victims of Nazi persecution between 1940 and 1945;

(8) all other exclusions from income for institutionalized persons as mandated by federal law; and

(9) amounts for reasonable expenses, as specified in subdivision 2, incurred for necessary medical or remedial care for the institutionalized person that are recognized under state law, not medical assistance covered expenses, and not subject to payment by a third party.

For purposes of clause (6), "other family member" means a person who resides with the community spouse and who is a minor or dependent child, dependent parent, or dependent sibling of either spouse. "Dependent" means a person who could be claimed as a dependent for federal income tax purposes under the Internal Revenue Code.

(b) Income shall be allocated to an institutionalized person for a period of up to three calendar months, in an amount equal to the medical assistance standard for a family size of one if:

(1) a physician or advanced practice registered nurse certifies that the person is expected to reside in the long-term care facility for three calendar months or less;

(2) if the person has expenses of maintaining a residence in the community; and

(3) if one of the following circumstances apply:

(i) the person was not living together with a spouse or a family member as defined in paragraph (a) when the person entered a long-term care facility; or

(ii) the person and the person's spouse become institutionalized on the same date, in which case the allocation shall be applied to the income of one of the spouses.

For purposes of this paragraph, a person is determined to be residing in a licensed nursing home, regional treatment center, or medical institution if the person is expected to remain for a period of one full calendar month or more.

Sec. 29. Minnesota Statutes 2016, section 256B.0595, subdivision 3, is amended to read:

Subd. 3. **Homestead exception to transfer prohibition.** (a) An institutionalized person is not ineligible for long-term care services due to a transfer of assets for less than fair market value if the asset transferred was a homestead and:

(1) title to the homestead was transferred to the individual's:

(i) spouse;

(ii) child who is under age 21;

(iii) blind or permanently and totally disabled child as defined in the Supplemental Security Income program;

(iv) sibling who has equity interest in the home and who was residing in the home for a period of at least one year immediately before the date of the individual's admission to the facility; or

(v) son or daughter who was residing in the individual's home for a period of at least two years immediately before the date the individual became an institutionalized person, and who provided care to the individual that, as certified by the individual's attending physician or advanced practice registered nurse, permitted the individual to reside at home rather than receive care in an institution or facility;

(2) a satisfactory showing is made that the individual intended to dispose of the homestead at fair market value or for other valuable consideration; or

(3) the local agency grants a waiver of a penalty resulting from a transfer for less than fair market value because denial of eligibility would cause undue hardship for the individual, based on imminent threat to the individual's health and well-being. Whenever an applicant or recipient is denied eligibility because of a transfer for less than fair market value, the local agency shall notify the applicant or recipient that the applicant or recipient may request a waiver of the penalty if the denial of eligibility will cause undue hardship. With the written consent of the individual or the personal representative of the individual, a long-term care facility in which an individual is residing may file an undue hardship waiver request, on behalf of the individual who is denied eligibility for long-term care

services on or after July 1, 2006, due to a period of ineligibility resulting from a transfer on or after February 8, 2006. In evaluating a waiver, the local agency shall take into account whether the individual was the victim of financial exploitation, whether the individual has made reasonable efforts to recover the transferred property or resource, and other factors relevant to a determination of hardship. If the local agency does not approve a hardship waiver, the local agency shall issue a written notice to the individual stating the reasons for the denial and the process for appealing the local agency's decision.

(b) When a waiver is granted under paragraph (a), clause (3), a cause of action exists against the person to whom the homestead was transferred for that portion of long-term care services provided within:

(1) 30 months of a transfer made on or before August 10, 1993;

(2) 60 months if the homestead was transferred after August 10, 1993, to a trust or portion of a trust that is considered a transfer of assets under federal law;

(3) 36 months if transferred in any other manner after August 10, 1993, but prior to February 8, 2006; or

(4) 60 months if the homestead was transferred on or after February 8, 2006,

or the amount of the uncompensated transfer, whichever is less, together with the costs incurred due to the action.

Sec. 30. Minnesota Statutes 2016, section 256B.0625, subdivision 2, is amended to read:

Subd. 2. **Skilled and intermediate nursing care.** (a) Medical assistance covers skilled nursing home services and services of intermediate care facilities, including training and habilitation services, as defined in section 252.41, subdivision 3, for persons with developmental disabilities who are residing in intermediate care facilities for persons with developmental disabilities. Medical assistance must not be used to pay the costs of nursing care provided to a patient in a swing bed as defined in section 144.562, unless (1) the facility in which the swing bed is located is eligible as a sole community provider, as defined in Code of Federal Regulations, title 42, section 412.92, or the facility is a public hospital owned by a governmental entity with 15 or fewer licensed acute care beds; (2) the Centers for Medicare and Medicaid Services approves the necessary state plan amendments; (3) the patient was screened as provided by law; (4) the patient no longer requires acute care services; and (5) no nursing home beds are available within 25 miles of the facility. The commissioner shall exempt a facility from compliance with the sole community provider requirement in clause (1) if, as of January 1, 2004, the facility had an agreement with the commissioner to provide medical assistance swing bed services.

(b) Medical assistance also covers up to ten days of nursing care provided to a patient in a swing bed if: (1) the patient's physician or advanced practice registered nurse certifies that the patient has a terminal illness or condition that is likely to result in death within 30 days and that moving the patient would not be in the best interests of the patient and patient's family; (2) no open nursing home beds are available within 25 miles of the facility; and (3) no open beds are available in any Medicare hospice program within 50 miles of the facility. The daily medical assistance payment for nursing care for the patient in the swing bed is the statewide average medical assistance skilled nursing care per diem as computed annually by the commissioner on July 1 of each year.

Sec. 31. Minnesota Statutes 2016, section 259.24, subdivision 2, is amended to read:

Subd. 2. **Parents, guardian.** If an unmarried parent who consents to the adoption of a child is under 18 years of age, the consent of the minor parent's parents or guardian, if any, also shall be required; if either or both the parents are disqualified for any of the reasons enumerated in subdivision 1, the consent of such parent shall be waived, and the consent of the guardian only shall be sufficient; and, if there be neither parent nor guardian qualified to give such consent, the consent may be given by the commissioner. The agency overseeing the adoption proceedings shall

ensure that the minor parent is offered the opportunity to consult with an attorney, a member of the clergy ~~or~~, a physician, or an advanced practice registered nurse before consenting to adoption of the child. The advice or opinion of the attorney, clergy member ~~or~~, physician, or advanced practice registered nurse shall not be binding on the minor parent. If the minor parent cannot afford the cost of consulting with an attorney, a member of the clergy ~~or~~, a physician, or an advanced practice registered nurse, the county shall bear that cost.

Sec. 32. Minnesota Statutes 2017 Supplement, section 260C.007, subdivision 6, is amended to read:

Subd. 6. **Child in need of protection or services.** "Child in need of protection or services" means a child who is in need of protection or services because the child:

(1) is abandoned or without parent, guardian, or custodian;

(2)(i) has been a victim of physical or sexual abuse as defined in section 626.556, subdivision 2, (ii) resides with or has resided with a victim of child abuse as defined in subdivision 5 or domestic child abuse as defined in subdivision 13, (iii) resides with or would reside with a perpetrator of domestic child abuse as defined in subdivision 13 or child abuse as defined in subdivision 5 or 13, or (iv) is a victim of emotional maltreatment as defined in subdivision 15;

(3) is without necessary food, clothing, shelter, education, or other required care for the child's physical or mental health or morals because the child's parent, guardian, or custodian is unable or unwilling to provide that care;

(4) is without the special care made necessary by a physical, mental, or emotional condition because the child's parent, guardian, or custodian is unable or unwilling to provide that care;

(5) is medically neglected, which includes, but is not limited to, the withholding of medically indicated treatment from an infant with a disability with a life-threatening condition. The term "withholding of medically indicated treatment" means the failure to respond to the infant's life-threatening conditions by providing treatment, including appropriate nutrition, hydration, and medication which, in the treating physician's or ~~physicians'~~ advanced practice registered nurse's reasonable medical judgment, will be most likely to be effective in ameliorating or correcting all conditions, except that the term does not include the failure to provide treatment other than appropriate nutrition, hydration, or medication to an infant when, in the treating physician's or ~~physicians'~~ advanced practice registered nurse's reasonable medical judgment:

(i) the infant is chronically and irreversibly comatose;

(ii) the provision of the treatment would merely prolong dying, not be effective in ameliorating or correcting all of the infant's life-threatening conditions, or otherwise be futile in terms of the survival of the infant; or

(iii) the provision of the treatment would be virtually futile in terms of the survival of the infant and the treatment itself under the circumstances would be inhumane;

(6) is one whose parent, guardian, or other custodian for good cause desires to be relieved of the child's care and custody, including a child who entered foster care under a voluntary placement agreement between the parent and the responsible social services agency under section 260C.227;

(7) has been placed for adoption or care in violation of law;

(8) is without proper parental care because of the emotional, mental, or physical disability, or state of immaturity of the child's parent, guardian, or other custodian;

(9) is one whose behavior, condition, or environment is such as to be injurious or dangerous to the child or others. An injurious or dangerous environment may include, but is not limited to, the exposure of a child to criminal activity in the child's home;

(10) is experiencing growth delays, which may be referred to as failure to thrive, that have been diagnosed by a physician and are due to parental neglect;

(11) is a sexually exploited youth;

(12) has committed a delinquent act or a juvenile petty offense before becoming ten years old;

(13) is a runaway;

(14) is a habitual truant;

(15) has been found incompetent to proceed or has been found not guilty by reason of mental illness or mental deficiency in connection with a delinquency proceeding, a certification under section 260B.125, an extended jurisdiction juvenile prosecution, or a proceeding involving a juvenile petty offense; or

(16) has a parent whose parental rights to one or more other children were involuntarily terminated or whose custodial rights to another child have been involuntarily transferred to a relative and there is a case plan prepared by the responsible social services agency documenting a compelling reason why filing the termination of parental rights petition under section 260C.503, subdivision 2, is not in the best interests of the child.

Sec. 33. Minnesota Statutes 2017 Supplement, section 364.09, is amended to read:

364.09 EXCEPTIONS.

(a) This chapter does not apply to the licensing process for peace officers; to law enforcement agencies as defined in section 626.84, subdivision 1, paragraph (f); to fire protection agencies; to eligibility for a private detective or protective agent license; to the licensing and background study process under chapters 245A and 245C; to the licensing and background investigation process under chapter 240; to eligibility for school bus driver endorsements; to eligibility for special transportation service endorsements; to eligibility for a commercial driver training instructor license, which is governed by section 171.35 and rules adopted under that section; to emergency medical services personnel, or to the licensing by political subdivisions of taxicab drivers, if the applicant for the license has been discharged from sentence for a conviction within the ten years immediately preceding application of a violation of any of the following:

(1) sections 609.185 to 609.2114, 609.221 to 609.223, 609.342 to 609.3451, or 617.23, subdivision 2 or 3; or Minnesota Statutes 2012, section 609.21;

(2) any provision of chapter 152 that is punishable by a maximum sentence of 15 years or more; or

(3) a violation of chapter 169 or 169A involving driving under the influence, leaving the scene of an accident, or reckless or careless driving.

This chapter also shall not apply to eligibility for juvenile corrections employment, where the offense involved child physical or sexual abuse or criminal sexual conduct.

(b) This chapter does not apply to a school district or to eligibility for a license issued or renewed by the Professional Educator Licensing and Standards Board or the commissioner of education.

(c) Nothing in this section precludes the Minnesota Police and Peace Officers Training Board or the state fire marshal from recommending policies set forth in this chapter to the attorney general for adoption in the attorney general's discretion to apply to law enforcement or fire protection agencies.

~~(d) This chapter does not apply to a license to practice medicine that has been denied or revoked by the Board of Medical Practice pursuant to section 147.091, subdivision 1a.~~

~~(e) This chapter does not apply to any person who has been denied a license to practice chiropractic or whose license to practice chiropractic has been revoked by the board in accordance with section 148.10, subdivision 7.~~

~~(f) This chapter does not apply to any license, registration, or permit that has been denied or revoked by the Board of Nursing in accordance with section 148.261, subdivision 1a.~~

~~(g)~~ (d) This chapter does not apply to any license, registration, permit, or certificate that has been denied or revoked by the commissioner of health according to section 148.5195, subdivision 5; or 153A.15, subdivision 2.

~~(h)~~ (e) This chapter does not supersede a requirement under law to conduct a criminal history background investigation or consider criminal history records in hiring for particular types of employment.

(f) This chapter does not apply to the licensing or registration process for, or to any license, registration, or permit that has been denied or revoked by, a health licensing board listed in section 214.01, subdivision 2.

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

Sec. 34. **COUNCIL OF HEALTH BOARDS WORK GROUP.**

(a) The Council of Health Boards shall convene a work group to study and make recommendations on:

(1) increasing the use of telehealth technologies including, but not limited to, high-fidelity simulation and teleconferencing to complete portions of the clinical experiences required as part of postsecondary educational programs that relate to counseling. Clinical experiences may include supervised practicum and internship hours. The study shall include the parameters in which the proposed technology may be utilized in order to ensure that students are integrating classroom theory in a lifelike clinical setting without compromising clinical competency outcomes;

(2) increasing access to telehealth technologies for use in supervision of persons completing postdegree supervised practice work experience and training required for licensure. The study shall include the parameters in which the proposed technology may be utilized for supervision to ensure the quality and competence of the activities supervised; and

(3) increasing client access to mental health services through use of telehealth technologies.

(b) The work group must consist of representatives of:

(1) the Boards of Psychology, Social Work, Marriage and Family Therapy, and Behavioral Health and Therapy;

(2) postsecondary educational institutions that have accredited educational programs for social work, psychology, alcohol and drug counseling, marriage and family therapy, and professional counseling; and

(3) the relevant professional counseling associations, including the Minnesota Counseling Association; Minnesota Psychology Association; National Association of Social Workers, Minnesota chapter; Minnesota Association for Marriage and Family Therapy; and the Minnesota Association of Resources for Recovery and Chemical Health.

(c) By February 1, 2019, the council shall submit recommendations for using telehealth technologies to the chairs and ranking minority members of the legislative committees with jurisdiction over health occupations and higher education, and shall include a plan for implementing the recommendations and any legislative changes necessary for implementation.

Sec. 35. **REPEALER.**

Minnesota Statutes 2016, section 214.075, subdivision 8, is repealed.

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

ARTICLE 9 MISCELLANEOUS

Section 1. Minnesota Statutes 2016, section 62V.05, subdivision 2, is amended to read:

Subd. 2. **Operations funding.** ~~(a) Prior to January 1, 2015, MNsure shall retain or collect up to 1.5 percent of total premiums for individual and small group market health plans and dental plans sold through MNsure to fund the cash reserves of MNsure, but the amount collected shall not exceed a dollar amount equal to 25 percent of the funds collected under section 62E.11, subdivision 6, for calendar year 2012.~~

~~(b) Beginning January 1, 2015, MNsure shall retain or collect up to 3.5 percent of total premiums for individual and small group market health plans and dental plans sold through MNsure to fund the operations of MNsure, but the amount collected shall not exceed a dollar amount equal to 50 percent of the funds collected under section 62E.11, subdivision 6, for calendar year 2012.~~

~~(c) (a) Beginning January 1, 2016, through December 31, 2018, MNsure shall retain or collect up to 3.5 percent of total premiums for individual and small group market health plans and dental plans sold through MNsure to fund the operations of MNsure, but the amount collected may never exceed a dollar amount greater than 100 percent of the funds collected under section 62E.11, subdivision 6, for calendar year 2012.~~

~~(d) For fiscal years 2014 and 2015, the commissioner of management and budget is authorized to provide cash flow assistance of up to \$20,000,000 from the special revenue fund or the statutory general fund under section 16A.671, subdivision 3, paragraph (a), to MNsure. Any funds provided under this paragraph shall be repaid, with interest, by June 30, 2015.~~

(b) Beginning January 1, 2019, MNsure shall retain or collect up to two percent of total premiums for individual and small group health plans and dental plans sold through MNsure to fund the operations of MNsure, but the amount collected may never exceed a dollar amount greater than 25 percent of the funds collected under section 62E.11, subdivision 6, for calendar year 2012.

(c) (c) Funding for the operations of MNsure shall cover any compensation provided to navigators participating in the navigator program.

(d) Interagency agreements between MNsure and the Department of Human Services, and the Public Assistance Cost Allocation Plan for the Department of Human Services, shall not be modified to reflect any changes to the percentage of premiums that MNsure is allowed to retain or collect under this section, and no additional funding shall be transferred from the Department of Human Services to MNsure as a result of any changes to the percentage of premiums that MNsure is allowed to retain or collect under this section.

Sec. 2. Minnesota Statutes 2016, section 62V.05, subdivision 5, is amended to read:

Subd. 5. **Health carrier and health plan requirements; participation.** (a) Beginning January 1, 2015, the board may establish certification requirements for health carriers and health plans to be offered through MNsure that satisfy federal requirements under ~~section 1311(e)(1) of the Affordable Care Act, Public Law 111-148~~ United States Code, title 42, section 18031(c)(1).

(b) Paragraph (a) does not apply if by June 1, 2013, the legislature enacts regulatory requirements that:

(1) apply uniformly to all health carriers and health plans in the individual market;

(2) apply uniformly to all health carriers and health plans in the small group market; and

(3) satisfy minimum federal certification requirements under ~~section 1311(e)(1) of the Affordable Care Act, Public Law 111-148~~ United States Code, title 42, section 18031(c)(1).

(c) In accordance with ~~section 1311(e) of the Affordable Care Act, Public Law 111-148~~ United States Code, title 42, section 18031(e), the board shall establish policies and procedures for certification and selection of health plans to be offered as qualified health plans through MNsure. The board shall certify and select a health plan as a qualified health plan to be offered through MNsure, if:

(1) the health plan meets the minimum certification requirements established in paragraph (a) or the market regulatory requirements in paragraph (b);

(2) the board determines that making the health plan available through MNsure is in the interest of qualified individuals and qualified employers;

(3) the health carrier applying to offer the health plan through MNsure also applies to offer health plans at each actuarial value level and service area that the health carrier currently offers in the individual and small group markets; and

(4) the health carrier does not apply to offer health plans in the individual and small group markets through MNsure under a separate license of a parent organization or holding company under section 60D.15, that is different from what the health carrier offers in the individual and small group markets outside MNsure.

(d) In determining the interests of qualified individuals and employers under paragraph (c), clause (2), the board may not exclude a health plan for any reason specified under ~~section 1311(e)(1)(B) of the Affordable Care Act, Public Law 111-148~~ United States Code, title 42, section 18031(e)(1)(B). ~~The board may consider:~~

~~(1) affordability;~~

~~(2) quality and value of health plans;~~

~~(3) promotion of prevention and wellness;~~

- ~~(4) promotion of initiatives to reduce health disparities;~~
- ~~(5) market stability and adverse selection;~~
- ~~(6) meaningful choices and access;~~
- ~~(7) alignment and coordination with state agency and private sector purchasing strategies and payment reform efforts; and~~
- ~~(8) other criteria that the board determines appropriate.~~

(e) A health plan that meets the minimum certification requirements under paragraph (c) and United States Code, title 42, section 18031(c)(1), and any regulations and guidance issued under that section, is deemed to be in the interest of qualified individuals and qualified employers. The board shall not establish certification requirements for health carriers and health plans for participation in MNsure that are in addition to the certification requirements under paragraph (c) and United States Code, title 42, section 18031(c)(1), and any regulations and guidance issued under that section. The board shall not determine the cost of, cost-sharing elements of, or benefits provided in health plans sold through MNsure.

~~(e)~~ (f) For qualified health plans offered through MNsure on or after January 1, 2015, the board shall establish policies and procedures under paragraphs (c) and (d) for selection of health plans to be offered as qualified health plans through MNsure by February 1 of each year, beginning February 1, 2014. The board shall consistently and uniformly apply all policies and procedures and any requirements, standards, or criteria to all health carriers and health plans. For any policies, procedures, requirements, standards, or criteria that are defined as rules under section 14.02, subdivision 4, the board may use the process described in subdivision 9.

~~(f)~~ For 2014, the board shall not have the power to select health carriers and health plans for participation in MNsure. The board shall permit all health plans that meet the certification requirements under section 1311(e)(1) of the Affordable Care Act, Public Law 111-148, to be offered through MNsure.

(g) Under this subdivision, the board shall have the power to verify that health carriers and health plans are properly certified to be eligible for participation in MNsure.

(h) The board has the authority to decertify health carriers and health plans that fail to maintain compliance with ~~section 1311(e)(1) of the Affordable Care Act, Public Law 111-148~~ United States Code, title 42, section 18031(c)(1).

(i) For qualified health plans offered through MNsure beginning January 1, 2015, health carriers must use the most current addendum for Indian health care providers approved by the Centers for Medicare and Medicaid Services and the tribes as part of their contracts with Indian health care providers. MNsure shall comply with all future changes in federal law with regard to health coverage for the tribes.

Sec. 3. Minnesota Statutes 2016, section 62V.05, subdivision 10, is amended to read:

Subd. 10. **Limitations; risk-bearing.** (a) The board shall not bear insurance risk or enter into any agreement with health care providers to pay claims.

(b) Nothing in this subdivision shall prevent MNsure from providing insurance for its employees.

(c) The commissioner of human services shall not bear insurance risk or enter into any agreement with providers to pay claims for any health coverage administered by the commissioner that is made available for purchase through the MNsure Web site as an alternative to purchasing a qualifying health plan through MNsure or an individual health plan offered outside of MNsure.

(d) Nothing in this subdivision shall prohibit:

(1) the commissioner of human services from administering the medical assistance program under chapter 256B and the MinnesotaCare program under chapter 256L, as long as health coverage under these programs is not purchased by the individual through the MNsure Web site; and

(2) employees of the Department of Human Services from obtaining insurance from the state employee group insurance program.

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

Sec. 4. Minnesota Statutes 2016, section 169.345, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For the purpose of section 168.021 and this section, the following terms have the meanings given them in this subdivision.

(b) "Health professional" means a licensed physician, licensed physician assistant, advanced practice registered nurse, licensed physical therapist, or licensed chiropractor.

(c) "Long-term certificate" means a certificate issued for a period greater than 12 months but not greater than 71 months.

(d) "Organization certificate" means a certificate issued to an entity other than a natural person for a period of three years.

(e) "Permit" refers to a permit that is issued for a period of 30 days, in lieu of the certificate referred to in subdivision 3, while the application is being processed.

(f) "Physically disabled person" means a person who:

(1) because of disability cannot walk without significant risk of falling;

(2) because of disability cannot walk 200 feet without stopping to rest;

(3) because of disability cannot walk without the aid of another person, a walker, a cane, crutches, braces, a prosthetic device, or a wheelchair;

(4) is restricted by a respiratory disease to such an extent that the person's forced (respiratory) expiratory volume for one second, when measured by spirometry, is less than one liter;

(5) has an arterial oxygen tension (PaO₂) of less than 60 mm/Hg on room air at rest;

(6) uses portable oxygen;

(7) has a cardiac condition to the extent that the person's functional limitations are classified in severity as class III or class IV according to standards set by the American Heart Association;

(8) has lost an arm or a leg and does not have or cannot use an artificial limb; or

(9) has a disability that would be aggravated by walking 200 feet under normal environmental conditions to an extent that would be life threatening.

(g) "Short-term certificate" means a certificate issued for a period greater than six months but not greater than 12 months.

(h) "Six-year certificate" means a certificate issued for a period of six years.

(i) "Temporary certificate" means a certificate issued for a period not greater than six months.

Sec. 5. Minnesota Statutes 2016, section 243.166, subdivision 4b, is amended to read:

Subd. 4b. **Health care facility; notice of status.** (a) For the purposes of this subdivision, :

(1) "health care facility" means a facility:

(1) ~~(i)~~ licensed by the commissioner of health as a hospital, boarding care home or supervised living facility under sections 144.50 to 144.58, or a nursing home under chapter 144A;

(2) ~~(ii)~~ registered by the commissioner of health as a housing with services establishment as defined in section 144D.01; or

(3) ~~(iii)~~ licensed by the commissioner of human services as a residential facility under chapter 245A to provide adult foster care, adult mental health treatment, chemical dependency treatment to adults, or residential services to persons with disabilities; and

(2) "home care provider" has the meaning given in section 144A.43.

(b) Prior to admission to a health care facility or home care services from a home care provider, a person required to register under this section shall disclose to:

(1) the health care facility employee or the home care provider processing the admission the person's status as a registered predatory offender under this section; and

(2) the person's corrections agent, or if the person does not have an assigned corrections agent, the law enforcement authority with whom the person is currently required to register, that ~~inpatient~~ admission will occur.

(c) A law enforcement authority or corrections agent who receives notice under paragraph (b) or who knows that a person required to register under this section is planning to be admitted and receive, or has been admitted and is receiving health care at a health care facility or home care services from a home care provider, shall notify the administrator of the facility or the home care provider and deliver a fact sheet to the administrator or provider containing the following information: (1) name and physical description of the offender; (2) the offender's conviction history, including the dates of conviction; (3) the risk level classification assigned to the offender under section 244.052, if any; and (4) the profile of likely victims.

(d) Except for a hospital licensed under sections 144.50 to 144.58, if a health care facility receives a fact sheet under paragraph (c) that includes a risk level classification for the offender, and if the facility admits the offender, the facility shall distribute the fact sheet to all residents at the facility. If the facility determines that distribution to a resident is not appropriate given the resident's medical, emotional, or mental status, the facility shall distribute the fact sheet to the patient's next of kin or emergency contact.

(e) If a home care provider receives a fact sheet under paragraph (c) that includes a risk level classification for the offender, the provider shall distribute the fact sheet to any individual who will provide direct services to the offender before the individual begins to provide the service.

Sec. 6. **HUMAN SERVICES DEPARTMENT RESTRUCTURING WORKING GROUP.**

Subdivision 1. Establishment; membership. (a) A working group to consider restructuring the Department of Human Services is established.

(b) The working group shall include 17 members as follows:

(1) two members of the house of representatives, one appointed by the speaker of the house and one appointed by the minority leader of the house of representatives;

(2) two members of the senate, one appointed by the senate majority leader and one appointed by the senate minority leader;

(3) the legislative auditor or a designee;

(4) the commissioner of administration or a designee;

(5) two representatives from county social services agencies, appointed by the commissioner of human services;

(6) two representatives from tribal social services agencies, appointed by the commissioner of human services;

(7) two representatives from organizations that represent people served by programs administered by the Department of Human Services, appointed by the commissioner of human services;

(8) two representatives from organizations that represent service providers that are either licensed or reimbursed by the Department of Human Services, appointed by the commissioner of human services;

(9) one member representing the Cultural and Ethnic Communities Leadership Council, appointed by the commissioner of human services; and

(10) two representatives of labor organizations, who must be full-time employees of the Department of Human Services working in facilities located in different geographic regions of the state, appointed by the governor.

(c) The appointing authorities under this subdivision must complete their appointments no later than July 1, 2018.

Subd. 2. Duties. The working group shall review the current structure of the Department of Human Services and programs administered by that agency and propose a restructuring of the agency to provide for better coordination and control of programs, accountability, and continuity. In making recommendations, the working group must consider:

(1) how human services agencies are structured in other states;

(2) transferring duties to other state agencies;

(3) the effect of a restructuring on clients and counties;

(4) administrative efficiencies;

(5) various analytical methods to evaluate efficiencies, including but not limited to zero-based budgeting;

(6) budget and policy priorities;

(7) program funding sources;

(8) avoiding conflicting agency roles;

(9) the extent to which the agency should provide direct services to clients;

(10) eliminating any duplication of services; and

(11) staffing issues.

Subd. 3. **Meetings.** The legislative auditor or a designee shall convene the first meeting of the working group no later than August 1, 2018. The legislative auditor or a designee shall serve as the chair of the working group. Meetings of the working group are open to the public.

Subd. 4. **Compensation.** Members of the working group shall serve without compensation or reimbursement for expenses.

Subd. 5. **Administrative support.** The Legislative Coordinating Commission shall provide administrative support for the working group and arrange for meeting space.

Subd. 6. **Report.** By March 1, 2019, the working group must submit a report with findings, recommendations, and draft legislation to the chairs and ranking minority members of the legislative committees with jurisdiction over human services policy and finance. The report must include a discussion of the costs and benefits associated with any proposed restructuring.

Subd. 7. **Expiration.** The working group expires March 2, 2019, or the day after the working group submits the report required under subdivision 6, whichever is earlier.

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

Sec. 7. **RATES FOR INDIVIDUAL MARKET HEALTH AND DENTAL PLANS FOR 2019.**

(a) Health carriers must take into account the reduction in the premium withhold percentage under Minnesota Statutes, section 62V.05, subdivision 2, applicable beginning in calendar year 2019 for individual market health plans and dental plans sold through MNsure when setting rates for individual market health plans and dental plans for calendar year 2019.

(b) For purposes of this section, "dental plan," "health carrier," "health plan," and "individual market" have the meanings given in Minnesota Statutes, section 62V.02.

ARTICLE 10
FORECAST ADJUSTMENTS

Section 1. **HUMAN SERVICES APPROPRIATION.**

The dollar amounts shown in the columns marked "Appropriations" are added to or, if shown in parentheses, are subtracted from the appropriations in Laws 2017, First Special Session chapter 6, article 18, from the general fund or any fund named to the Department of Human Services for the purposes specified in this article, to be available for the fiscal year indicated for each purpose. The figures "2018" and "2019" used in this article mean that the appropriations listed under them are available for the fiscal years ending June 30, 2018, or June 30, 2019, respectively. "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium" is fiscal years 2018 and 2019.

| | | <u>APPROPRIATIONS</u> | |
|---|---------------|--------------------------------------|------------------------------|
| | | <u>Available for the Year</u> | |
| | | <u>Ending June 30</u> | |
| | | <u>2018</u> | <u>2019</u> |
| Sec. 2. <u>COMMISSIONER OF HUMAN SERVICES</u> | | | |
| Subdivision 1. <u>Total Appropriation</u> | | <u>\$(208,963,000)</u> | <u>\$(88,363,000)</u> |
| <u>Appropriations by Fund</u> | | | |
| General Fund | (210,083,000) | (103,535,000) | |
| Health Care Access Fund | 7,620,000 | 9,258,000 | |
| Federal TANF | (6,500,000) | 5,914,000 | |
| | | | |
| Subd. 2. <u>Forecasted Programs</u> | | | |
| (a) <u>MFIP/DWP</u> | | | |
| <u>Appropriations by Fund</u> | | | |
| General Fund | (3,749,000) | (11,267,000) | |
| Federal TANF | (7,418,000) | 4,565,000 | |
| | | | |
| (b) <u>MFIP Child Care Assistance</u> | | (7,995,000) | (521,000) |
| (c) <u>General Assistance</u> | | (4,850,000) | (3,770,000) |
| (d) <u>Minnesota Supplemental Aid</u> | | (1,179,000) | (821,000) |
| (e) <u>Housing Support</u> | | (3,260,000) | (3,038,000) |
| (f) <u>Northstar Care for Children</u> | | (5,168,000) | (6,458,000) |
| (g) <u>MinnesotaCare</u> | | 7,620,000 | 9,258,000 |
| | | | |
| <u>These appropriations are from the health care access fund.</u> | | | |
| | | | |
| (h) <u>Medical Assistance</u> | | | |
| <u>Appropriations by Fund</u> | | | |
| General Fund | (199,817,000) | (106,124,000) | |
| Health Care Access Fund | -0- | -0- | |
| | | | |
| (i) <u>Alternative Care Program</u> | | -0- | -0- |
| (j) <u>CCDTF Entitlements</u> | | 15,935,000 | 28,464,000 |
| | | | |
| Subd. 3. <u>Technical Activities</u> | | 918,000 | 1,349,000 |

These appropriations are from the federal TANF fund.

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

ARTICLE 11
HEALTH AND HUMAN SERVICES APPROPRIATIONS

Section 1. **HEALTH AND HUMAN SERVICES APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2017, First Special Session chapter 6, article 18, to the agencies and for the purposes specified in this article. The appropriations are from the general fund and are available for the fiscal years indicated for each purpose. The figures "2018" and "2019" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively. Base adjustments mean the addition to or subtraction from the base level adjustment set in Laws 2017, First Special Session chapter 6, article 18. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2018, are effective the day following final enactment unless a different effective date is explicit.

| <u>APPROPRIATIONS</u> | |
|--------------------------------------|--------------------|
| <u>Available for the Year</u> | |
| <u>Ending June 30</u> | |
| <u>2018</u> | <u>2019</u> |

Sec. 2. **COMMISSIONER OF HUMAN SERVICES**

Subdivision 1. **Total Appropriation**

\$-0- **\$19,865,000**

Subd. 2. **Central Office; Operations**

-0- **5,779,000**

(a) Foster Care Recruitment Models. \$75,000 in fiscal year 2019 is from the general fund for a grant to Hennepin County to establish and promote family foster care recruitment models. The county shall use the grant funds for the purpose of increasing foster care providers through administrative simplification, nontraditional recruitment models, and family incentive options, and develop a strategic planning model to recruit family foster care providers. This is a onetime appropriation.

(b) Transfer; Advisory Council on Rare Diseases. \$150,000 in fiscal year 2019 is from the general fund for transfer to the Board of Regents of the University of Minnesota for the advisory council on rare diseases under Minnesota Statutes, section 137.68.

(c) Transfer; Study and Report on Health Insurance Rate Disparities between Geographic Rating Areas. \$251,000 in fiscal year 2019 is from the general fund for transfer to the Legislative Coordinating Commission for the Office of the Legislative Auditor to study and report on disparities between geographic rating areas in individual and small group market health insurance rates. This is a onetime appropriation.

(d) Substance Abuse Recovery Services Provided through Minnesota Recovery Corps. \$450,000 in fiscal year 2019 is from the general fund for transfer to ServeMinnesota under Minnesota

Statutes, section 124D.37, for purposes of providing evidenced-based substance abuse recovery services through Minnesota Recovery Corps. Funds shall be used to support training, supervision, and deployment of AmeriCorps members to serve as recovery navigators. The Minnesota Commission on National and Community Service shall include in the commission's report to the legislature under Minnesota Statutes, section 124D.385, subdivision 3, an evaluation of program data to determine the efficacy of the services promoting sustained substance abuse recovery, including but not limited to stable housing, relationship-building, employment skills, or a year of AmeriCorps service. This is a onetime appropriation.

(e) **Base Adjustment.** The general fund base is increased \$6,136,000 in fiscal year 2020 and \$6,145,000 in fiscal year 2021.

Subd. 3. **Central Office; Children and Families**

-0-

1,420,000

(a) **Task Force on Childhood Trauma-Informed Policy and Practices.** \$55,000 in fiscal year 2019 is from the general fund for the task force on childhood trauma-informed policy and practices. This is a onetime appropriation.

(b) **Child Welfare Training Academy.** \$786,000 in fiscal year 2019 is from the general fund for the child welfare training academy, which shall provide training to county and tribal child welfare workers, county and tribal child welfare supervisors, and staff at agencies providing out-of-home placement services.

(c) **Child Welfare Caseload Study.** \$400,000 in fiscal year 2019 is from the general fund for a child welfare caseload study.

(d) **Minn-LInK Study.** \$150,000 in fiscal year 2019 is from the general fund for the Minn-LInK study under Minnesota Statutes, section 260C.81.

Subd. 4. **Central Office; Health Care**

-0-

1,836,000

(a) **Encounter Reporting of 340B Eligible Drugs.** \$35,000 in fiscal year 2019 is from the general fund for development of recommendations for a process to identify 340B eligible drugs and report them at the point of sale. This is a onetime appropriation.

(b) **Base Adjustment.** The general fund base is increased \$2,235,000 in fiscal year 2020 and \$2,255,000 in fiscal year 2021.

Subd. 5. **Central Office; Continuing Care**

-0-

1,200,000

(a) **Regional Ombudsmen.** \$612,000 in fiscal year 2019 is from the general fund to fund five additional regional ombudsman in the Office of Ombudsman for Long-Term Care, to perform the duties in Minnesota Statutes, section 256.9742.

(b) Live Well At Home Grants. Of the fiscal year 2019 general fund appropriation in Laws 2017, First Special Session chapter 6, article 18, section 2, subdivision 6: (1) \$50,000 shall be used to provide a live well at home grant under Minnesota Statutes, section 256B.0917, to an organization that provides block nurse services to the elderly in the city of McGregor; and (2) if an organization providing block nurse services to the elderly in the city of Grove City does not receive a live well at home grant award by November 1, 2018, \$120,000 shall be used to provide a live well at home grant under Minnesota Statutes, section 256B.0917, to that organization.

(c) Base Adjustment. The general fund base is increased \$746,000 in fiscal year 2020 and \$746,000 in fiscal year 2021.

| | | |
|---|------------|------------------|
| Subd. 6. <u>Central Office; Community Supports</u> | <u>-0-</u> | <u>4,571,000</u> |
|---|------------|------------------|

Base Adjustment. The general fund base is increased \$4,127,000 in fiscal year 2020 and \$4,012,000 in fiscal year 2021.

| | | |
|--|------------|------------------|
| Subd. 7. <u>Forecasted Programs; Medical Assistance</u> | <u>-0-</u> | <u>8,495,000</u> |
|--|------------|------------------|

| | | |
|--|------------|-----------------|
| Subd. 8. <u>Forecasted Programs; Alternative Care</u> | <u>-0-</u> | <u>(28,000)</u> |
|--|------------|-----------------|

| | | |
|--|------------|---------------------|
| Subd. 9. <u>Forecasted Programs; Chemical Dependency Treatment Fund</u> | <u>-0-</u> | <u>(14,243,000)</u> |
|--|------------|---------------------|

| | | |
|---|------------|------------------|
| Subd. 10. <u>Grant Programs; Child and Economic Support Grants</u> | <u>-0-</u> | <u>1,900,000</u> |
|---|------------|------------------|

(a) Community Action Grants. \$750,000 in fiscal year 2019 is from the general fund for community action grants under Minnesota Statutes, sections 256E.30 to 256E.32. This is a onetime appropriation.

(b) Mobile food shelf grants. (1) \$750,000 in fiscal year 2019 is from the general fund for mobile food shelf grants to be awarded by Hunger Solutions. Of this appropriation, \$375,000 is for sustaining existing mobile food shelf programs and \$375,000 is for creating new mobile food shelf programs.

(2) Hunger Solutions shall award grants on a priority basis under clause (4). A grant to sustain an existing mobile food shelf program shall not exceed \$25,000. A grant to create a new mobile food shelf program shall not exceed \$75,000.

(3) An applicant for a mobile food shelf grant must provide the following information to Hunger Solutions:

(i) the location of the project;

(ii) a description of the mobile program, including the program's size and scope;

(iii) evidence regarding the unserved or underserved nature of the community in which the program is located;

(iv) evidence of community support for the program;

(v) the total cost of the program;

(vi) the amount of the grant request and how funds will be used;

(vii) sources of funding or in-kind contributions for the program that may supplement any grant award;

(viii) the applicant's commitment to maintain the mobile program; and

(ix) any additional information requested by Hunger Solutions.

(4) In evaluating applications and awarding grants, Hunger Solutions must give priority to an applicant who:

(i) serves unserved or underserved areas;

(ii) creates a new mobile program or expands an existing mobile program;

(iii) serves areas where a high level of need is identified;

(iv) provides evidence of strong support for the program from residents and other institutions in the community;

(v) leverages funding for the program from other private and public sources; and

(vi) commits to maintaining the program on a multiyear basis.

(5) This is a onetime appropriation.

(c) **Project Legacy.** \$400,000 in fiscal year 2019 is from the general fund for a grant to Project Legacy to provide counseling and outreach to youth and young adults from families with a history of generational poverty. Money from this appropriation must be spent for mental health care, medical care, chemical dependency interventions, housing, and mentoring and counseling services for first generation college students. This is a onetime appropriation.

Subd. 11. Grant Programs; Disabilities Grants-0-7,740,000

Disability grants. \$7,740,000 in fiscal year 2019 is from the general fund for the home and community-based services innovation pool under Minnesota Statutes, section 256B.0921; disability waiver rate system transition grants under Laws 2017, First Special Session chapter 6, article 18, section 2, subdivision 29; and competitive workforce sustainability grants under article 5, section 18. These funds shall be provided to home and community-based waiver service providers that are projected to be negatively impacted due to the transition to rates calculated under Minnesota Statutes, section 256B.4914. The commissioner may transfer funds from this appropriation to budget activity 52, other long-term care grants, as necessary. This is a onetime appropriation.

Subd. 12. Grant Programs; Child Mental Health Grants-0-250,000

School-Linked Mental Health Services Delivered by Telemedicine. \$250,000 in fiscal year 2019 is from the general fund for grants for four pilot projects to deliver school-linked mental health services by telemedicine. The grants are for new or existing providers and must be two pilot projects in greater Minnesota, one in the seven-county metropolitan area excluding Minneapolis and St. Paul, and one in Minneapolis or St. Paul. No later than six months after the funds are expended, the commissioner shall report to the legislative committees with jurisdiction over mental health issues on the effectiveness of the pilot projects. This is a onetime appropriation and is available until June 30, 2021.

Subd. 13. Grant Programs; Chemical Dependency Treatment Support Grants-0-945,000

Student Health Initiative to Limit Opioid Harm. \$945,000 in fiscal year 2019 is from the general fund for the student health initiative to limit opioid harm. This is a onetime appropriation.

Sec. 3. COMMISSIONER OF HEALTH**Subdivision 1. Total Appropriation****\$-0-****\$11,565,000**Appropriations by Fund

| | <u>2018</u> | <u>2019</u> |
|---|-------------|-------------------|
| <u>General</u> | <u>-0-</u> | <u>11,481,000</u> |
| <u>State Government Special Revenue</u> | <u>-0-</u> | <u>84,000</u> |

Subd. 2. **Health Improvement**

-0-

8,505,000

(a) **Health Professional Education Loan Forgiveness Program.** \$1,000,000 in fiscal year 2019 is from the general fund for the health professional education loan forgiveness program under Minnesota Statutes, section 144.1501.

(b) **Transfer; Minnesota Biomedicine and Bioethics Innovation Grants.** \$2,897,000 in fiscal year 2019 is from the general fund for transfer to the Board of Regents of the University of Minnesota for Minnesota biomedicine and bioethics innovation grants under Minnesota Statutes, section 137.67. This appropriation is available until June 30, 2021. The general fund base for this program is \$30,000 in fiscal year 2020 and \$30,000 in fiscal year 2021.

(c) **Addressing Disparities in Prenatal Care Access and Utilization.** \$613,000 in fiscal year 2019 is from the general fund for grants under Minnesota Statutes, section 145.928, subdivision 7, paragraph (a), clause (2), to decrease racial and ethnic disparities in access to and utilization of high-quality prenatal care. This is a onetime appropriation.

(d) **Information on Congenital Cytomegalovirus.** \$127,000 in fiscal year 2019 is from the general fund for the development and dissemination of information about congenital cytomegalovirus according to Minnesota Statutes, section 144.064.

(e) **Older Adult Social Isolation Working Group.** \$85,000 in fiscal year 2018 is from the general fund for the older adult social isolation working group, for costs related to the salary of an independent, professional facilitator, printing and duplicating costs, and expenses related to meeting management for the working group. This is a onetime appropriation.

(f) **Transfer; Mental Health and Substance Use Disorder Parity Work Group.** \$75,000 in fiscal year 2019 is from the general fund for transfer to the commissioner of commerce for the mental health and substance use disorder parity work group.

(g) **The TAP Program.** \$10,000 in fiscal year 2019 is from the general fund for a grant to the TAP in St. Paul to support mental health in disability communities through spoken art forms, community supports, and community engagement. This is a onetime appropriation.

(h) **Statewide Tobacco Cessation Services.** \$291,000 in fiscal year 2019 is from the general fund for statewide tobacco cessation services under Minnesota Statutes, section 144.397. The general fund base for this appropriation is \$1,550,000 in fiscal year 2020 and \$2,955,000 in fiscal year 2021.

(i) **Opioid Abuse Prevention Pilot Project.** \$2,000,000 in fiscal year 2019 is from the general fund for opioid abuse prevention pilot projects under Laws 2017, First Special Session chapter 6, article 10, section 144. Of this amount: (1) \$1,400,000 is for the opioid abuse prevention pilot project through CHI St. Gabriel's Health Family Medical Center, also known as Unity Family Health Care; and (2) \$600,000 is for Project Echo through CHI St. Gabriel's Health Family Medical Center for e-learning sessions centered around opioid case management and best practices for opioid abuse prevention. This is a onetime appropriation.

(j) **Opioid Overdose Reduction Pilot Program.** \$1,000,000 in fiscal year 2019 is from the general fund for the opioid overdose reduction pilot program, which provides grants to ambulance services to fund community paramedic teams. Of this appropriation, the commissioner may use up to \$50,000 to administer the program. This is a onetime appropriation and is available until June 30, 2021.

(k) **Prescription Drug Deactivation and Disposal Products.** (1) \$1,104,000 in fiscal year 2019 is from the general fund to provide grants to pharmacists and other prescription drug dispensers, health care providers, local law enforcement and emergency services personnel, and local health and human services departments to purchase at-home prescription drug deactivation and disposal products that render drugs and medications inert and irretrievable. The grants must be awarded on a competitive basis and targeted toward geographic areas of the state with the highest rates of overdose deaths.

(2) Grant recipients must provide these deactivation and disposal products free of charge to members of the public. Grant recipients, and the vendors providing deactivation and disposal products to grant recipients, shall provide information necessary to evaluate the effectiveness of the grant program to the commissioner of health, in the form and manner specified by the commissioner. At a minimum, a grant recipient must provide the commissioner with the number of deactivation and disposal products the grant recipient provided to members of the public under this program, and an estimate of the total number of dosages that may have been deactivated and disposed of using the products. The commissioner may contract with a third party to conduct the evaluation.

(3) This is a onetime appropriation.

(l) **Base Adjustments.** The general fund base is increased \$4,677,000 in fiscal year 2020 and \$6,082,000 in fiscal year 2021.

Subd. 3. Health ProtectionAppropriations by Fund

| | | |
|---|------------|------------------|
| <u>General</u> | <u>-0-</u> | <u>2,976,000</u> |
| <u>State Government Special Revenue</u> | <u>-0-</u> | <u>84,000</u> |

(a) **Technology Upgrades.** \$1,250,000 in fiscal year 2019 is from the general fund for technology upgrades at the Office of Health Facility Complaints. These technology upgrades must be provided by an external vendor selected on a competitive basis by the commissioner of administration. The commissioner shall not transfer this appropriation or use the appropriated funds for any other purpose. This is a onetime appropriation and is available until June 30, 2022.

(b) **Base Adjustments.** The general fund base is increased \$980,000 in fiscal year 2020 and \$933,000 in fiscal year 2021. The state government special revenue fund base is increased \$365,000 in fiscal year 2020 and \$77,000 in fiscal year 2021.

Sec. 4. HEALTH-RELATED BOARDS

Subdivision 1. Total Appropriation **\$-0-** **\$216,000**

Unless otherwise noted, this appropriation is from the state government special revenue fund. The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. Board of Dentistry **-0-** **5,000**

This is a onetime appropriation.

Subd. 3. Board of Nursing **-0-** **162,000**

(a) **Nurse Licensure Compact.** \$157,000 in fiscal year 2019 is for implementation of Minnesota Statutes, section 148.2855.

(b) **Base Adjustments.** The state government special revenue fund base is increased by \$6,000 in fiscal year 2020 and \$6,000 in fiscal year 2021.

Subd. 4. Board of Nursing Home Administrators **-0-** **25,000**

Council of Health Boards Work Group. \$25,000 in fiscal year 2019 is for the administrative services unit to convene a Council of Health Boards work group to study and make recommendations on the use of telehealth technologies. This is a onetime appropriation.

| | | |
|---|-----|--------------|
| Subd. 5. <u>Board of Optometry</u> | -0- | <u>5,000</u> |
|---|-----|--------------|

This is a onetime appropriation.

| | | |
|--|-----|---------------|
| Subd. 6. <u>Board of Pharmacy</u> | -0- | <u>14,000</u> |
|--|-----|---------------|

Base Adjustments. The state government special revenue fund base is increased by \$12,000 in fiscal year 2020 and \$12,000 in fiscal year 2021.

| | | |
|--|-----|--------------|
| Subd. 7. <u>Board of Podiatric Medicine</u> | -0- | <u>5,000</u> |
|--|-----|--------------|

This is a onetime appropriation.

| | | |
|---|---------------------|------------------------|
| Sec. 5. <u>EMERGENCY MEDICAL SERVICES REGULATORY BOARD</u> | <u>\$-0-</u> | <u>\$35,000</u> |
|---|---------------------|------------------------|

Base Adjustment. The general fund base is increased by \$15,000 in fiscal year 2020 only.

Sec. 6. Minnesota Statutes 2016, section 256.01, is amended by adding a subdivision to read:

Subd. 17a. Transfers for routine administrative operations. (a) The commissioner may only transfer money from the general fund to any other fund for routine administrative operations and may not transfer money from the general fund to any other fund without approval from the commissioner of management and budget unless specifically authorized by law. If the commissioner of management and budget determines that a transfer proposed by the commissioner is necessary for routine administrative operations of the Department of Human Services, the commissioner may approve the transfer. If the commissioner of management and budget determines that the transfer proposed by the commissioner is not necessary for routine administrative operations of the Department of Human Services, the commissioner may not approve the transfer unless the requirements of paragraph (b) are met.

(b) If the commissioner of management and budget determines that a transfer under paragraph (a) is not necessary for routine administrative operations of the Department of Human Services, the commissioner may request approval of the transfer from the Legislative Advisory Commission under section 3.30. To request approval of a transfer from the Legislative Advisory Commission, the commissioner must submit a request that includes the amount of the transfer, the budget activity and fund from which money would be transferred and the budget activity and fund to which money would be transferred, an explanation of the administrative necessity of the transfer, and a statement from the commissioner of management and budget explaining why the transfer is not necessary for routine administrative operations of the Department of Human Services. The Legislative Advisory Commission shall review the proposed transfer and make a recommendation within 20 days of the request from the commissioner. If the Legislative Advisory Commission makes a positive recommendation or no recommendation, the commissioner may approve the transfer. If the Legislative Advisory Commission makes a negative recommendation or a request for more information, the commissioner may not approve the transfer. A recommendation of the Legislative Advisory Commission must be made by a majority of the commission and must be made at a meeting of the commission unless a written recommendation is signed by a majority of the commission members required to vote on the question. If the commission makes a negative recommendation or a request for more information, the commission may subsequently withdraw or change its recommendation.

Sec. 7. Laws 2017, First Special Session chapter 6, article 18, section 3, subdivision 2, is amended to read:

Subd. 2. **Health Improvement**

Appropriations by Fund

| | | |
|----------------------------------|------------|------------|
| General | 81,438,000 | 78,100,000 |
| State Government Special Revenue | 6,215,000 | 6,182,000 |
| Health Care Access | 36,643,000 | 36,258,000 |
| Federal TANF | 11,713,000 | 11,713,000 |

(a) **TANF Appropriations.** (1) \$3,579,000 of the TANF fund each year is for home visiting and nutritional services listed under Minnesota Statutes, section 145.882, subdivision 7, clauses (6) and (7). Funds must be distributed to community health boards according to Minnesota Statutes, section 145A.131, subdivision 1.

(2) \$2,000,000 of the TANF fund each year is for decreasing racial and ethnic disparities in infant mortality rates under Minnesota Statutes, section 145.928, subdivision 7.

(3) \$4,978,000 of the TANF fund each year is for the family home visiting grant program according to Minnesota Statutes, section 145A.17. \$4,000,000 of the funding must be distributed to community health boards according to Minnesota Statutes, section 145A.131, subdivision 1. \$978,000 of the funding must be distributed to tribal governments according to Minnesota Statutes, section 145A.14, subdivision 2a.

(4) \$1,156,000 of the TANF fund each year is for family planning grants under Minnesota Statutes, section 145.925.

(5) The commissioner may use up to 6.23 percent of the funds appropriated each year to conduct the ongoing evaluations required under Minnesota Statutes, section 145A.17, subdivision 7, and training and technical assistance as required under Minnesota Statutes, section 145A.17, subdivisions 4 and 5.

(b) **TANF Carryforward.** Any unexpended balance of the TANF appropriation in the first year of the biennium does not cancel but is available for the second year.

(c) **Evidence-Based Home Visiting to Pregnant Women and Families with Young Children.** \$6,000,000 in fiscal year 2018 and \$6,000,000 in fiscal year 2019 are from the general fund to start up or expand ~~evidence-based~~ home visiting programs to pregnant women and families with young children. The commissioner shall award grants to community health boards, nonprofits, or tribal nations in urban and rural areas of the state. Grant funds must be used to start up or expand evidence-based or

targeted home visiting programs in the county, reservation, or region to serve families, such as parents with high risk or high needs, parents with a history of mental illness, domestic abuse, or substance abuse, or first-time mothers prenatally until the child is four years of age, who are eligible for medical assistance under Minnesota Statutes, chapter 256B, or the federal Special Supplemental Nutrition Program for Women, Infants, and Children. For fiscal year 2019, the commissioner shall allocate at least 75 percent of the grant funds not yet awarded to evidence-based home visiting programs and up to 25 percent of the grant funds not yet awarded to other targeted home visiting programs in order to promote innovation and serve high-need families. Priority for grants to rural areas shall be given to community health boards, nonprofits, and tribal nations that expand services within regional partnerships that provide the ~~evidence-based~~ home visiting programs. This funding shall only be used to supplement, not to replace, funds being used for evidence-based or targeted home visiting services as of June 30, 2017. Up to seven percent of the appropriation may be used for training, technical assistance, evaluation, and other costs to administer the grants. The general fund base for this program is \$16,500,000 in fiscal year 2020 and \$16,500,000 in fiscal year 2021.

(d) **Safe Harbor for Sexually Exploited Youth Services.** \$250,000 in fiscal year 2018 and \$250,000 in fiscal year 2019 are from the general fund for trauma-informed, culturally specific services for sexually exploited youth. Youth 24 years of age or younger are eligible for services under this paragraph.

(e) **Safe Harbor Program Technical Assistance and Evaluation.** \$200,000 in fiscal year 2018 and \$200,000 in fiscal year 2019 are from the general fund for training, technical assistance, protocol implementation, and evaluation activities related to the safe harbor program. Of these amounts:

(1) \$90,000 each fiscal year is for providing training and technical assistance to individuals and organizations that provide safe harbor services and receive funds for that purpose from the commissioner of human services or commissioner of health;

(2) \$90,000 each fiscal year is for protocol implementation, which includes providing technical assistance in establishing best practices-based systems for effectively identifying, interacting with, and referring sexually exploited youth to appropriate resources; and

(3) \$20,000 each fiscal year is for program evaluation activities in compliance with Minnesota Statutes, section 145.4718.

(f) **Promoting Safe Harbor Capacity.** In funding services and activities under paragraphs (d) and (e), the commissioner shall emphasize activities that promote capacity-building and development of resources in greater Minnesota.

(g) **Administration of Safe Harbor Program.** \$60,000 in fiscal year 2018 and \$60,000 in fiscal year 2019 are for administration of the safe harbor for sexually exploited youth program.

(h) **Palliative Care Advisory Council.** \$44,000 in fiscal year 2018 and \$44,000 in fiscal year 2019 are from the general fund for the Palliative Care Advisory Council under Minnesota Statutes, section 144.059. This is a onetime appropriation.

(i) **Transfer; Minnesota Biomedicine and Bioethics Innovation Grants.** \$2,500,000 in fiscal year 2018 is from the general fund for transfer to the Board of Regents of the University of Minnesota for Minnesota biomedicine and bioethics innovation grants under Minnesota Statutes, section 137.67. The full amount of the appropriation is for grants, and the University of Minnesota shall not use any portion for administrative or monitoring expenses. The steering committee of the University of Minnesota and Mayo Foundation partnership must submit a preliminary report by April 1, 2018, and a final report by April 1, 2019, on all grant activities funded under Minnesota Statutes, section 137.67, to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services finance. This is a onetime appropriation and is available until June 30, 2021.

(j) **Statewide Strategic Plan for Victims of Sex Trafficking.** \$73,000 in fiscal year 2018 is from the general fund for the development of a comprehensive statewide strategic plan and report to address the needs of sex trafficking victims statewide. This is a onetime appropriation.

(k) **Home and Community-Based Services Employee Scholarship Program.** \$500,000 in fiscal year 2018 and \$500,000 in fiscal year 2019 are from the general fund for the home and community-based services employee scholarship program under Minnesota Statutes, section 144.1503.

(l) **Comprehensive Advanced Life Support Educational Program.** \$100,000 in fiscal year 2018 and \$100,000 in fiscal year 2019 are from the general fund for the comprehensive advanced life support educational program under Minnesota Statutes, section 144.6062. This is a onetime appropriation.

(m) **Opioid Abuse Prevention.** \$1,028,000 in fiscal year 2018 is to establish and evaluate accountable community for health opioid abuse prevention pilot projects. \$28,000 of this amount is for administration. This is a onetime appropriation and is available until June 30, 2021.

(n) **Advanced Care Planning.** \$250,000 in fiscal year 2018 and \$250,000 in fiscal year 2019 are from the general fund for a grant to a statewide advanced care planning resource organization that has expertise in convening and coordinating community-based strategies to encourage individuals, families, caregivers, and health care providers to begin conversations regarding end-of-life care choices that express an individual's health care values and preferences and are based on informed health care decisions. Of this amount, \$9,000 each year is for administration. This is a onetime appropriation.

(o) **Health Professionals Clinical Training Expansion Grant Program.** \$526,000 in fiscal year 2018 and \$526,000 in fiscal year 2019 are from the general fund for the primary care and mental health professions clinical training expansion grant program under Minnesota Statutes, section 144.1505. Of this amount, \$26,000 each year is for administration.

(p) **Federally Qualified Health Centers.** \$500,000 in fiscal year 2018 and \$500,000 in fiscal year 2019 are from the general fund to provide subsidies to federally qualified health centers under Minnesota Statutes, section 145.9269. This is a onetime appropriation.

(q) **Base Level Adjustments.** The general fund base is \$87,656,000 in fiscal year 2020 and \$87,706,000 in fiscal year 2021. The health care access fund base is \$36,858,000 in fiscal year 2020 and \$36,258,000 in fiscal year 2021.

Sec. 8. Laws 2017, First Special Session chapter 6, article 18, section 16, subdivision 2, is amended to read:

Subd. 2. **Administration.** Subject to Minnesota Statutes, section 256.01, subdivision 17a, positions, salary money, and nonsalary administrative money may be transferred within the Departments of Health and Human Services as the commissioners consider necessary, with the advance approval of the commissioner of management and budget. The commissioner shall inform the chairs and ranking minority members of the senate Health and Human Services Finance and Policy Committee, the senate Human Services Reform Finance and Policy Committee, and the house of representatives Health and Human Services Finance Committee quarterly about transfers made under this subdivision.

Sec. 9. **TRANSFERS.**

By June 30, 2018, the commissioner of management and budget shall transfer:

- (1) \$14,000,000 from the systems operations account in the special revenue fund to the general fund;
- (2) \$2,000,000 from the system long-term care options product account in the special revenue fund to the general fund; and
- (3) \$2,400,000 from the direct care and treatment special health care receipts account in the special revenue fund to the general fund.

Sec. 10. EXPIRATION OF UNCODIFIED LANGUAGE.

All uncodified language contained in this article expires on June 30, 2019, unless a different expiration date is explicit.

Sec. 11. EFFECTIVE DATE.

This article is effective July 1, 2018, unless a different effective date is specified."

Delete the title and insert:

"A bill for an act relating to human services; modifying provisions governing Department of Health and public health, health care, chemical and mental health, opioids and prescription drugs, community supports and continuing care, protections for older adults and vulnerable adults, children and families, health licensing boards, and MNsure; establishing the Vulnerable Adult Maltreatment Prevention and Accountability Act; modifying requirements for data sharing and data classifications; modifying a criminal penalty; establishing working groups; establishing prescription drug repository program; entering into nurse licensure compact; providing for rulemaking; requiring reports; modifying fees; making forecast adjustments; appropriating money; amending Minnesota Statutes 2016, sections 13.83, subdivision 2; 13.851, by adding a subdivision; 62A.30, by adding a subdivision; 62A.65, subdivision 7; 62Q.55, subdivision 5; 62V.05, subdivisions 2, 5, 10; 103I.205, subdivision 9; 103I.301, subdivision 6; 119B.011, by adding a subdivision; 119B.02, subdivision 7; 119B.03, subdivision 9; 144.121, subdivision 1a, by adding a subdivision; 144.1501, subdivisions 1, 3; 144.1506, subdivision 2; 144.608, subdivision 1; 144.6501, subdivision 3, by adding a subdivision; 144.651, subdivisions 1, 2, 4, 14, 16, 20, 21; 144A.10, subdivision 1; 144A.26; 144A.43, subdivisions 11, 27, 30, by adding a subdivision; 144A.44, subdivision 1; 144A.442; 144A.45, subdivisions 1, 2; 144A.472, subdivision 5; 144A.473; 144A.474, subdivisions 2, 8, 9; 144A.475, subdivisions 1, 2, 5; 144A.476, subdivision 1; 144A.479, subdivision 7; 144A.4791, subdivisions 1, 3, 6, 7, 8, 9, 10, 13; 144A.4792, subdivisions 1, 2, 5, 10; 144A.4793, subdivision 6; 144A.4797, subdivision 3; 144A.4798; 144A.4799, subdivision 1; 144A.484, subdivision 1; 144A.53, subdivisions 1, 4, by adding subdivisions; 144D.01, subdivision 1; 144D.02; 144D.04, by adding a subdivision; 144E.16, by adding subdivisions; 144G.01, subdivision 1; 145.56, subdivision 2; 145.928, subdivisions 1, 7; 146B.03, by adding a subdivision; 147A.08; 148.512, subdivision 17a; 148.513, subdivisions 1, 2, by adding a subdivision; 148.515, subdivision 1; 148.516; 148.519, by adding a subdivision; 148.5192, subdivision 1; 148.5193, by adding a subdivision; 148.5194, subdivision 8, by adding a subdivision; 148.5195, subdivision 3; 148.5196, subdivision 3; 148.59; 148E.180; 149A.40, subdivision 11; 149A.95, subdivision 3; 150A.06, subdivision 1a, by adding subdivisions; 150A.091, by adding subdivisions; 151.15, by adding subdivisions; 151.19, subdivision 1; 151.214, subdivision 2; 151.46; 151.71, by adding a subdivision; 152.11, by adding a subdivision; 169.345, subdivision 2; 214.075, subdivisions 1, 4, 5, 6; 214.077; 214.10, subdivision 8; 214.12, by adding a subdivision; 243.166, subdivision 4b; 245A.04, subdivision 7, by adding a subdivision; 245C.22, subdivision 4; 245D.071, subdivision 5; 245D.091, subdivisions 2, 3, 4; 254B.02, subdivision 1; 256.01, by adding a subdivision; 256.014, subdivision 2; 256.975, subdivision 7b; 256B.0575, subdivision 1; 256B.0595, subdivision 3; 256B.0625, subdivisions 2, 18d, 30, by adding subdivisions; 256B.0659, subdivisions 11, 21, 24, 28, by adding a subdivision; 256B.4914, subdivision 4; 256B.5012, by adding a subdivision; 256B.69, subdivision 5a; 256K.45, subdivision 2; 256M.41, subdivision 3; 256R.53, subdivision 2; 259.24, subdivision 2; 325F.71; 518A.32, subdivision 3; 518A.685; 609.2231, subdivision 8; 626.557, subdivisions 3, 4, 9, 9a, 9b, 9c, 9d, 10b, 12b, 14, 17; 626.5572, subdivision 6; 641.15, subdivision 3a; Minnesota Statutes 2017 Supplement, sections 13.69, subdivision 1; 103I.005, subdivisions 2, 8a, 17a; 103I.205, subdivisions 1, 4; 103I.208, subdivision 1; 103I.235, subdivision 3; 103I.601, subdivision 4; 119B.011, subdivision 20; 119B.025, subdivision 1; 119B.095, by adding a subdivision; 119B.13, subdivision 1; 144.1501, subdivision 2; 144A.10, subdivision 4; 144A.472, subdivision 7; 144A.474, subdivision 11; 144A.4796, subdivision 2; 144A.4799, subdivision 3; 144D.04, subdivision 2; 144H.01, subdivision 5; 144H.04, subdivision 1; 148.519, subdivision 1; 148.5193, subdivision 1; 148.5196, subdivision 1; 152.105, subdivision 2; 245A.03, subdivision 7; 245A.06, subdivision 8; 245A.11, subdivision 2a; 245A.50, subdivision 7; 245C.22, subdivision 5; 245D.03, subdivision 1; 245G.03, subdivision 1;

245G.22, subdivision 2; 252.41, subdivision 3; 254A.03, subdivision 3; 254B.03, subdivision 2; 256.045, subdivisions 3, 4; 256B.0625, subdivisions 3b, 56a; 256B.0921; 256B.4913, subdivision 7; 256B.4914, subdivisions 2, 3, 5, 6, 7, 8, 9, 10, 10a; 260C.007, subdivision 6; 364.09; Laws 2014, chapter 312, article 27, section 76; Laws 2017, First Special Session chapter 6, article 3, section 49; article 8, sections 71; 72; 74; article 18, sections 3, subdivision 2; 16, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 62Q; 137; 144; 144D; 144G; 148; 151; 245A; 256; 256B; 256K; 260C; repealing Minnesota Statutes 2016, sections 62A.65, subdivision 7a; 144A.45, subdivision 6; 144A.481; 151.55; 214.075, subdivision 8; 256.021; 256B.0705; Minnesota Statutes 2017 Supplement, section 146B.02, subdivision 7a."

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

The report was adopted.

Dean, M., from the Committee on Health and Human Services Finance to which was referred:

H. F. No. 3196, A bill for an act relating to health insurance; establishing a step therapy protocol and override for prescription drug coverage; proposing coding for new law in Minnesota Statutes, chapter 62Q.

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

The report was adopted.

Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 9, H. F. No. 3196 was re-referred to the Committee on Rules and Legislative Administration.

Fabian from the Committee on Environment and Natural Resources Policy and Finance to which was referred:

H. F. No. 3502, A bill for an act relating to natural resources; modifying licensing requirements; modifying commissioner's duties; providing for training and licensing of wildland firefighters; prohibiting bear feeding; modifying Wildfire Act; modifying tagging requirements for gear used in commercial fishing; modifying restrictions on using cast nets; modifying penalties related to approved firewood; providing for legal counsel to vacate roads; providing for lease security; modifying requirements of public land sales; adding to and deleting from state parks, recreation areas, and forests; providing criminal penalties; amending Minnesota Statutes 2016, sections 88.10, by adding a subdivision; 88.75, subdivision 1; 89.551; 92.50, by adding a subdivision; 94.10, subdivision 2; 97A.051, subdivision 2; 97A.433, subdivisions 4, 5; 97C.345, subdivision 3a; Minnesota Statutes 2017 Supplement, sections 84.01, subdivision 6; 84D.03, subdivisions 3, 4; 89.17; proposing coding for new law in Minnesota Statutes, chapter 97B; repealing Laws 2008, chapter 368, article 1, section 21, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
ENVIRONMENT AND NATURAL RESOURCES APPROPRIATIONS

Section 1. **ENVIRONMENT AND NATURAL RESOURCES APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to the appropriations in Laws 2017, chapter 93, article 1, to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2018" and

"2019" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively. "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium" is fiscal years 2018 and 2019. Appropriations for the fiscal year ending June 30, 2018, are effective the day following final enactment.

| | <u>APPROPRIATIONS</u> <u>Available for the Year</u> <u>Ending June 30</u> | |
|--|---|-------------------------|
| | <u>2018</u> | <u>2019</u> |
| Sec. 2. <u>POLLUTION CONTROL AGENCY</u> | <u>\$-0-</u> | <u>\$199,000</u> |
| <u>\$199,000 the second year is from the environmental fund for the voluntary certification program for deicer applicators under Minnesota Statutes, section 116.2025. The base for fiscal year 2020 and later is \$184,000.</u> | | |

Sec. 3. **NATURAL RESOURCES**

| | | |
|--|------------------------|---------------------------|
| Subdivision 1. <u>Total Appropriation</u> | <u>\$50,000</u> | <u>\$2,552,000</u> |
| <u>Appropriations by Fund</u> | | |
| | <u>2018</u> | <u>2019</u> |
| <u>General</u> | <u>-0-</u> | <u>750,000</u> |
| <u>Natural Resources</u> | <u>-0-</u> | <u>1,802,000</u> |
| <u>Game and Fish</u> | <u>50,000</u> | <u>-0-</u> |

The amounts that may be spent for each purpose are specified in the following subdivisions.

| | | |
|--|-------------------|-----------------------|
| Subd. 2. <u>Land and Mineral Resources Management</u> | <u>-0-</u> | <u>347,000</u> |
| <u>\$319,000 the second year is from the mineral management account in the natural resources fund for environmental research relating to mine permitting, in consultation with the Mineral Coordinating Committee.</u> | | |

\$28,000 the second year is from the land acquisition account in the natural resources fund to compensate the permanent school fund for a road easement on school trust lands in Sand Dunes State Forest. This appropriation must be matched with nonstate money by 20 percent of the total cost of the easement. This is a onetime appropriation.

| | | |
|---|------------------------|-------------------|
| Subd. 3. <u>Ecological and Water Resources</u> | <u>\$50,000</u> | <u>-0-</u> |
| <u>\$50,000 the first year is from the heritage enhancement account in the game and fish fund to prepare a report on the actions necessary to protect, restore, and enhance the naturally occurring wild rice in the public waters of Minnesota as required under this act. This is a onetime appropriation and is available until June 30, 2019.</u> | | |

Subd. 4. Parks and Trails Management

-0-

1,415,000

(a) \$315,000 the second year is from the natural resources fund for a grant to St. Louis County to be used as a match to a state bonding grant for trail and bridge construction and for a maintenance fund for a five-mile segment of the Voyageur Country ATV trail system, including a multiuse bridge over the Vermilion River that would serve ATVs, snowmobiles, off-road vehicles, off-highway motorcycles, and emergency vehicles in St. Louis County. Of this amount, \$285,000 is from the all-terrain vehicle account, \$15,000 is from the off-road vehicle account, and \$15,000 is from the off-highway motorcycle account. This is a onetime appropriation and is available until June 30, 2021.

(b) \$300,000 the second year is from the natural resources fund for a grant to Lake County to match other funding sources to develop the Prospectors Loop trail system. Of this amount, \$270,000 is from the all-terrain vehicle account, \$15,000 is from the off-highway motorcycle account, and \$15,000 is from the off-road vehicle account. This is a onetime appropriation and is available until June 30, 2021.

(c) \$100,000 the second year is from the all-terrain vehicle account in the natural resources fund for wetland delineation and work on an environmental assessment worksheet for the Taconite State Trail from Ely to Tower consistent with the 2017 Taconite State Trail Master Plan. This is a onetime appropriation and is available until June 30, 2021.

(d) \$100,000 the second year is from the all-terrain vehicle account in the natural resources fund for a grant to the city of Virginia to develop, in cooperation with the Quad Cities ATV Club, an all-terrain vehicle trail system in the cities of Virginia, Eveleth, Gilbert, and Mountain Iron and surrounding areas. This is a onetime appropriation and is available until June 30, 2021.

(e) \$200,000 the second year is from the off-road vehicle account in the natural resources fund for a contract with a project administrator to assist the commissioner in planning, designing, and providing a system of state touring routes for off-road vehicles by identifying sustainable, legal routes suitable for licensed four-wheel drive vehicles and a system of recreational trails for registered off-road vehicles. This is a onetime appropriation.

(f) \$200,000 the second year is appropriated from the off-road vehicle account in the natural resources fund for a contract to prepare a comprehensive, statewide, strategic master plan for trails for off-road vehicles. This is a onetime appropriation. At a minimum, the plan must:

(1) identify opportunities to develop new, high-quality, comprehensive trails for off-road vehicles in a system that serves regional and tourist destinations;

(2) enhance connectivity with trails for off-road vehicles, trails and parks for other off-highway vehicles, and trails and parks for other types of vehicles;

(3) provide opportunities for new exposure and economic development in greater Minnesota;

(4) help people connect with the outdoors in a safe and environmentally sustainable manner;

(5) create new and support existing opportunities for social, economic, and cultural benefits and meaningful and mutually beneficial relationships for users of off-road vehicles and the communities that host trails for off-road vehicles; and

(6) require the commissioner to cooperate with local governments, organizations, and other interested partners.

(g) \$200,000 the second year is from the off-road vehicle account in the natural resources fund to reimburse federal, county, and township entities for additional needs on forest roads when the needs are a result of increased use by off-road vehicles and are attributable to a border-to-border touring route established by the commissioner. This paragraph does apply to roads that are operated by a public road authority as defined in Minnesota Statutes, section 160.02, subdivision 25. This is a onetime appropriation and is available until June 30, 2023. To be eligible for reimbursement under this paragraph, the claimant must demonstrate that the needs result from additional traffic generated by the border-to-border touring route.

Subd. 5. Fish and Wildlife Management

-0-

650,000

\$650,000 the second year is for wildlife disease surveillance and response. This is a onetime appropriation.

Subd. 6. Enforcement

-0-

140,000

(a) \$100,000 the second year is for responding to escaped animals from Cervidae farms, including inspection of farmed Cervidae, farmed Cervidae facilities, and farmed Cervidae records when the commissioner has reasonable suspicion that laws protecting native wild animals have been violated. This is a onetime appropriation.

(b) \$40,000 the second year is from the all-terrain vehicle account in the natural resources fund to develop a voluntary online youth all-terrain vehicle training program under Minnesota Statutes, section 84.925, subdivision 1. This is a onetime appropriation.

Sec. 4. NATURAL RESOURCES DAMAGES ACCOUNT TRANSFER

By June 30, 2018, any money in the general portion of the remediation fund dedicated for the purposes of the natural resources damages account must be transferred to the natural resources damages account.

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

Sec. 5. Laws 2010, chapter 361, article 4, section 78, is amended to read:

Sec. 78. **APPROPRIATION; MOOSE TRAIL.**

\$100,000 in fiscal year 2011 is appropriated to the commissioner of natural resources from the all-terrain vehicle account in the natural resources fund for a grant to the city of Hoyt Lakes ~~to convert the Moose Trail snowmobile trail to for a dual usage trail, so that it may also be used as an~~ off-highway vehicle trail connecting the city of Biwabik to the Iron Range Off-Highway Vehicle Recreation Area. This is a onetime appropriation and is available until ~~spent~~ June 30, 2020.

Sec. 6. Laws 2016, chapter 189, article 3, section 3, subdivision 5, is amended to read:

Subd. 5. **Parks and Trails Management** -0- 6,459,000

Appropriations by Fund

| | 2016 | 2017 |
|-------------------|------|-----------|
| General | -0- | 2,929,000 |
| Natural Resources | -0- | 3,530,000 |

\$2,800,000 the second year is a onetime appropriation.

\$2,300,000 the second year is from the state parks account in the natural resources fund. Of this amount, \$1,300,000 is onetime, of which \$1,150,000 is for strategic park acquisition.

\$20,000 the second year is from the natural resources fund to design and erect signs marking the David Dill trail designated in this act. Of this amount, \$10,000 is from the snowmobile trails and enforcement account and \$10,000 is from the all-terrain vehicle account. This is a onetime appropriation.

\$100,000 the second year is for the improvement of the infrastructure for sanitary sewer service at the Woodenfrog Campground in Kabetogama State Forest. This is a onetime appropriation.

\$29,000 the second year is for computer programming related to the transfer-on-death title changes for watercraft. This is a onetime appropriation.

\$210,000 the first year is from the water recreation account in the natural resources fund for implementation of Minnesota Statutes, section 86B.532, established in this act. This is a onetime appropriation. The commissioner of natural resources shall seek federal and other nonstate funds to reimburse the department for the initial costs of producing and distributing carbon monoxide boat warning labels. All amounts collected under this paragraph shall be deposited into the water recreation account.

\$1,000,000 the second year is from the natural resources fund for a grant to Lake County for construction, including bridges, of the Prospectors ATV Trail System linking the communities of Ely, Babbitt, Embarrass, and Tower; Bear Head Lake and Lake Vermilion-Soudan Underground Mine State Parks; the Taconite State Trail; and the Lake County Regional ATV Trail System. Of this amount, \$900,000 is from the all-terrain vehicle account, \$50,000 is from the off-highway motorcycle account, and \$50,000 is from the off-road vehicle account. This is a onetime appropriation and is available until June 30, 2019.

Sec. 7. Laws 2016, chapter 189, article 3, section 4, is amended to read:

Sec. 4. **BOARD OF WATER AND SOIL RESOURCES**

\$-0-

\$479,000

\$479,000 the second year is for the development of a detailed plan to implement a working lands watershed restoration program to incentivize the establishment and maintenance of perennial crops that includes the following:

- (1) a process for selecting pilot watersheds that are expected to result in the greatest water quality improvements and exhibit readiness to participate in the program;
- (2) an assessment of the quantity of agricultural land that is expected to be eligible for the program in each watershed;
- (3) an assessment of landowner interest in participating in the program;
- (4) an assessment of the contract terms and any recommendations for changes to the terms, including consideration of variable payment rates for lands of different priority or type;
- (5) an assessment of the opportunity to leverage federal funds through the program and recommendations on how to maximize the use of federal funds for assistance to establish perennial crops;
- (6) an assessment of how other state programs could complement the program;

- (7) an estimate of water quality improvements expected to result from implementation in pilot watersheds;
- (8) an assessment of how to best integrate program implementation with existing conservation requirements and develop recommendations on harvest practices and timing to benefit wildlife production;
- (9) an assessment of the potential viability and water quality benefit of cover crops used in biomass processing facilities;
- (10) a timeline for implementation, coordinated to the extent possible with proposed biomass processing facilities; ~~and~~
- (11) a projection of funding sources needed to complete implementation-;
- (12) outreach to local governments, interest groups, and individual farmers on the economic and environmental benefits of perennial and cover crops;
- (13) establishment of detailed criteria to target the location of perennial and cover crops on a watershed basis to maximize the environmental benefit at the lowest cost; and
- (14) development of model contracts to include payment rates, duration, type of crops, harvest standards, and monitoring procedures for use in future program implementation.

This is a onetime appropriation and is available until June 30, ~~2018~~ 2019.

The board shall coordinate development of the working lands watershed restoration plan with stakeholders and the commissioners of natural resources, agriculture, and the Pollution Control Agency. The board must submit an interim report by October 15, ~~2017~~ 2018, and the feasibility study and program plan by February 1, ~~2018~~ 2019, to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture, natural resources, and environment policy and finance and to the Clean Water Council.

Sec. 8. Laws 2017, chapter 93, article 1, section 3, subdivision 6, is amended to read:

Subd. 6. **Fish and Wildlife Management** 68,207,000 ~~67,750,000~~
69,210,000

Appropriations by Fund

| | 2018 | 2019 |
|-------------------|------------|-----------------------|
| Natural Resources | 1,912,000 | 1,912,000 |
| Game and Fish | 66,295,000 | 65,838,000 |
| | | <u>67,298,000</u> |

(a) \$8,283,000 the first year and \$8,386,000 the second year are from the heritage enhancement account in the game and fish fund only for activities specified in Minnesota Statutes, section 297A.94, paragraph (e), clause (1). Notwithstanding Minnesota Statutes, section 297A.94, five percent of this appropriation may be used for expanding hunter and angler recruitment and retention.

(b) Notwithstanding Minnesota Statutes, section 297A.94, \$30,000 the first year is from the heritage enhancement account in the game and fish fund for the commissioner of natural resources to contract with a private entity to search for a site to construct a world-class shooting range and club house for use by the Minnesota State High School League and for other regional, statewide, national, and international shooting events. The commissioner must provide public notice of the search, including making the public aware of the process through the Department of Natural Resources' media outlets, and solicit input on the location and building options for the facility. The siting search process must include a public process to determine if any business or individual is interested in donating land for the facility, anticipated to be at least 500 acres. The site search team must meet with interested third parties affected by or interested in the facility. The commissioner must submit a report with the results of the site search to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources by March 1, 2018. This is a onetime appropriation.

(c) Notwithstanding Minnesota Statutes, section 297A.94, \$30,000 the first year is from the heritage enhancement account in the game and fish fund for a study of lead shot deposition on state lands. By March 1, 2018, the commissioner shall provide a report of the study to the chairs and ranking minority members of the legislative committees with jurisdiction over natural resources policy and finance. This is a onetime appropriation.

(d) Notwithstanding Minnesota Statutes, section 297A.94, \$500,000 the first year is from the heritage enhancement account in the game and fish fund for planning and emergency response to disease outbreaks in wildlife. This is a onetime appropriation and is available until June 30, 2019.

(e) \$8,606,000 the second year is from the deer management account in the game and fish fund for the purposes specified under Minnesota Statutes, section 97A.075, subdivision 1, paragraph (b).

Sec. 9. Laws 2017, chapter 93, article 1, section 4, is amended to read:

Sec. 4. **BOARD OF WATER AND SOIL RESOURCES**

\$14,311,000

\$14,164,000

(a) \$3,423,000 the first year and \$3,423,000 the second year are for natural resources block grants to local governments. Grants must be matched with a combination of local cash or in-kind

contributions. The base grant portion related to water planning must be matched by an amount as specified by Minnesota Statutes, section 103B.3369. The board may reduce the amount of the natural resources block grant to a county by an amount equal to any reduction in the county's general services allocation to a soil and water conservation district from the county's previous year allocation when the board determines that the reduction was disproportionate.

(b) \$3,116,000 the first year and \$3,116,000 the second year are for grants to soil and water conservation districts for the purposes of Minnesota Statutes, sections 103C.321 and 103C.331, and for general purposes, nonpoint engineering, and implementation and stewardship of the reinvest in Minnesota reserve program. Expenditures may be made from these appropriations for supplies and services benefiting soil and water conservation districts. Any district receiving a payment under this paragraph shall maintain a Web page that publishes, at a minimum, its annual report, annual audit, annual budget, and meeting notices.

(c) \$260,000 the first year and \$260,000 the second year are for feedlot water quality cost share grants for feedlots under 300 animal units and nutrient and manure management projects in watersheds where there are impaired waters.

(d) \$1,200,000 the first year and \$1,200,000 the second year are for soil and water conservation district cost-sharing contracts for perennially vegetated riparian buffers, erosion control, water retention and treatment, and other high-priority conservation practices.

(e) \$100,000 the first year and \$100,000 the second year are for county cooperative weed management cost-share programs and to restore native plants in selected invasive species management sites.

(f) \$761,000 the first year and \$761,000 the second year are for implementation, enforcement, and oversight of the Wetland Conservation Act, including administration of the wetland banking program and in-lieu fee mechanism.

(g) \$300,000 the first year is for improving the efficiency and effectiveness of Minnesota's wetland regulatory programs through continued examination of United States Clean Water Act section 404 assumption including negotiation of draft agreements with the United States Environmental Protection Agency and the United States Army Corps of Engineers, planning for an online permitting system, upgrading the existing wetland banking database, and developing an in-lieu fee wetland banking program as authorized by statute. This is a onetime appropriation and is available until June 30, 2019.

(h) \$166,000 the first year and \$166,000 the second year are to provide technical assistance to local drainage management officials and for the costs of the Drainage Work Group. The Board of Water and Soil Resources must coordinate the stakeholder drainage work group in accordance with Minnesota Statutes, section 103B.101, subdivision 13, to evaluate and make recommendations to accelerate drainage system acquisition and establishment of ditch buffer strips under Minnesota Statutes, chapter 103E, or compatible alternative practices required by Minnesota Statutes, section 103F.48. The evaluation and recommendations must be submitted in a report to the senate and house of representatives committees with jurisdiction over agriculture and environment policy by February 1, 2018.

(i) \$100,000 the first year and \$100,000 the second year are for a grant to the Red River Basin Commission for water quality and floodplain management, including administration of programs. This appropriation must be matched by nonstate funds. If the appropriation in either year is insufficient, the appropriation in the other year is available for it.

(j) \$140,000 the first year and \$140,000 the second year are for grants to Area II Minnesota River Basin Projects for floodplain management.

(k) \$125,000 the first year and \$125,000 the second year are for conservation easement stewardship.

(l) \$240,000 the first year and \$240,000 the second year are for a grant to the Lower Minnesota River Watershed District to defray the annual cost of operating and maintaining sites for dredge spoil to sustain the state, national, and international commercial and recreational navigation on the lower Minnesota River.

(m) \$4,380,000 the first year and \$4,533,000 the second year are for Board of Water and Soil Resources agency administration and operations.

(n) Notwithstanding Minnesota Statutes, section 103C.501, the board may shift cost-share funds in this section and may adjust the technical and administrative assistance portion of the grant funds to leverage federal or other nonstate funds or to address high-priority needs identified in local water management plans or comprehensive water management plans.

(o) The appropriations for grants in this section are available until June 30, 2021, except returned grants are available for two years after they are returned. If an appropriation for grants in either year is insufficient, the appropriation in the other year is available for it.

(p) Notwithstanding Minnesota Statutes, section 16B.97, the appropriations for grants in this section are exempt from Department of Administration, Office of Grants Management Policy 08-08 Grant Payments and 08-10 Grant Monitoring.

ARTICLE 2
ENVIRONMENT AND NATURAL RESOURCES POLICY

Section 1. Minnesota Statutes 2017 Supplement, section 84.01, subdivision 6, is amended to read:

Subd. 6. **Legal counsel.** The commissioner of natural resources may appoint attorneys or outside counsel to render title opinions, represent the department in severed mineral interest forfeiture actions brought pursuant to section 93.55, and, notwithstanding any statute to the contrary, represent the state in quiet title or title registration actions affecting land or interests in land administered by the commissioner and in all proceedings relating to road vacations.

Sec. 2. Minnesota Statutes 2016, section 84.0895, subdivision 2, is amended to read:

Subd. 2. **Application.** (a) Subdivision 1 does not apply to:

(1) plants on land classified for property tax purposes as class 2a or 2c agricultural land under section 273.13, ~~or on ditches and roadways~~ a ditch, or on an existing public road right-of-way as defined in section 84.92, subdivision 6a, except for ground not previously disturbed by construction or maintenance; and

(2) noxious weeds designated pursuant to sections 18.76 to 18.88 or to weeds otherwise designated as troublesome by the Department of Agriculture.

(b) If control of noxious weeds is necessary, it takes priority over the protection of endangered plant species, as long as a reasonable effort is taken to preserve the endangered plant species first.

(c) The taking or killing of an endangered plant species on land adjacent to class 3 or 3b agricultural land as a result of the application of pesticides or other agricultural chemical on the class 3 or 3b land is not a violation of subdivision 1, if reasonable care is taken in the application of the pesticide or other chemical to avoid impact on adjacent lands. For the purpose of this paragraph, class 3 or 3b agricultural land does not include timber land, waste land, or other land for which the owner receives a state paid wetlands or native prairie tax credit.

(d) The accidental taking of an endangered plant, where the existence of the plant is not known at the time of the taking, is not a violation of subdivision 1.

Sec. 3. Minnesota Statutes 2016, section 84.775, subdivision 1, is amended to read:

Subdivision 1. **Civil citation; authority to issue.** (a) A conservation officer or other licensed peace officer may issue a civil citation to a person who operates:

(1) an off-highway motorcycle in violation of sections 84.773, subdivision 1 or 2, clause (1); 84.777; 84.788 to 84.795; or 84.90;

(2) an off-road vehicle in violation of sections 84.773, subdivision 1 or 2, clause (1); 84.777; 84.798 to 84.804; or 84.90; or

(3) an all-terrain vehicle in violation of sections 84.773, subdivision 1 or 2, clause (1); 84.777; 84.90; or 84.922 to 84.928.

(b) A civil citation under paragraph (a) shall require restitution for public and private property damage and impose a penalty of:

- (1) \$100 for the first offense;
- (2) \$200 for the second offense; and
- (3) \$500 for third and subsequent offenses.

(c) A conservation officer or other licensed peace officer may issue a civil citation to a person who operates an off-highway motorcycle, off-road vehicle, or all-terrain vehicle in violation of section 84.773, subdivision 2, clause (2) or (3). A civil citation under this paragraph shall require restitution for damage to wetlands and impose a penalty of:

- (1) \$100 for the first offense;
- (2) \$500 for the second offense; and
- (3) \$1,000 for third and subsequent offenses.

(d) If the peace officer determines that there is damage to property requiring restitution, the commissioner must send a written explanation of the extent of the damage and the cost of the repair by first class mail to the address provided by the person receiving the citation within 15 days of the date of the citation.

(e) An off-road vehicle ~~or all-terrain vehicle~~ that is equipped with a snorkel device and receives a civil citation under this section is subject to twice the penalty amounts in paragraphs (b) and (c).

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

Sec. 4. Minnesota Statutes 2016, section 84.83, subdivision 3, is amended to read:

Subd. 3. **Purposes for the account; allocation.** (a) The money deposited in the account and interest earned on that money may be expended only as appropriated by law for the following purposes:

(1) for a grant-in-aid program to counties and municipalities for construction and maintenance of snowmobile trails, including maintenance of trails on lands and waters of Voyageurs National Park; on Lake of the Woods; on Rainy Lake; on the following lakes in St. Louis County: Burntside, Crane, Little Long, Mud, Pelican, Shagawa, and Vermilion; and on the following lakes in Cook County: Devil Track and Hungry Jack;

(2) for acquisition, development, and maintenance of state recreational snowmobile trails;

(3) for snowmobile safety programs; and

(4) for the administration and enforcement of sections 84.81 to 84.91 and appropriated grants to local law enforcement agencies.

(b) No less than 60 percent of revenue ~~collected from snowmobile registration and snowmobile state trail sticker fees~~ deposited in the snowmobile trails and enforcement account must be expended for grants-in-aid to develop, maintain, and groom trails and acquire easements.

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 5. Minnesota Statutes 2016, section 84.86, subdivision 1, is amended to read:

Subdivision 1. **Required rules.** With a view of achieving maximum use of snowmobiles consistent with protection of the environment the commissioner of natural resources shall adopt rules in the manner provided by chapter 14, for the following purposes:

- (1) Registration of snowmobiles and display of registration numbers.
- (2) Use of snowmobiles insofar as game and fish resources are affected.
- (3) Use of snowmobiles on public lands and waters, or on grant-in-aid trails.
- (4) Uniform signs to be used by the state, counties, and cities, which are necessary or desirable to control, direct, or regulate the operation and use of snowmobiles.
- (5) Specifications relating to snowmobile mufflers.
- (6) A comprehensive snowmobile information and safety education and training program, including but not limited to the preparation and dissemination of snowmobile information and safety advice to the public, the training of snowmobile operators, and the issuance of snowmobile safety certificates to snowmobile operators who successfully complete the snowmobile safety education and training course. For the purpose of administering such program and to defray expenses of training and certifying snowmobile operators, the commissioner shall collect a fee from each person who receives the youth or adult training. The commissioner shall collect a fee, to include a \$1 issuing fee for licensing agents, for issuing a duplicate snowmobile safety certificate. The commissioner shall establish both fees in a manner that neither significantly overrecovers nor underrecovers costs, including overhead costs, involved in providing the services. The fees are not subject to the rulemaking provisions of chapter 14 and section 14.386 does not apply. The fees may be established by the commissioner notwithstanding section 16A.1283. The fees, except for the issuing fee for licensing agents under this subdivision, shall be deposited in the snowmobile trails and enforcement account in the natural resources fund and the amount thereof, except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, and issuing fees collected by the commissioner, is appropriated annually to the Enforcement Division of the Department of Natural Resources for the administration of such programs. In addition to the fee established by the commissioner, instructors may charge each person any fee paid by the instructor for the person's online training course and up to the established fee amount for class materials and expenses. The commissioner shall cooperate with private organizations and associations, private and public corporations, and local governmental units in furtherance of the program established under this clause. School districts may cooperate with the commissioner and volunteer instructors to provide space for the classroom portion of the training. The commissioner shall consult with the commissioner of public safety in regard to training program subject matter and performance testing that leads to the certification of snowmobile operators.
- (7) The operator of any snowmobile involved in an accident resulting in injury requiring medical attention or hospitalization to or death of any person or total damage to an extent of \$500 or more, shall forward a written report of the accident to the commissioner on such form as the commissioner shall prescribe. If the operator is killed or is unable to file a report due to incapacitation, any peace officer investigating the accident shall file the accident report within ten business days.

Sec. 6. Minnesota Statutes 2017 Supplement, section 84.91, subdivision 1, is amended to read:

Subdivision 1. **Acts prohibited.** (a) No owner or other person having charge or control of any snowmobile or all-terrain vehicle shall authorize or permit any individual the person knows or has reason to believe is under the influence of alcohol or a controlled substance or other substance to operate the snowmobile or all-terrain vehicle anywhere in this state or on the ice of any boundary water of this state.

(b) No owner or other person having charge or control of any snowmobile or all-terrain vehicle shall knowingly authorize or permit any person, who by reason of any physical or mental disability is incapable of operating the vehicle, to operate the snowmobile or all-terrain vehicle anywhere in this state or on the ice of any boundary water of this state.

(c) A person who operates or is in physical control of a snowmobile or all-terrain vehicle anywhere in this state or on the ice of any boundary water of this state is subject to chapter 169A. In addition to the applicable sanctions under chapter 169A, a person who is convicted of violating section 169A.20 or an ordinance in conformity with it ~~while operating a snowmobile or all-terrain vehicle~~, or who refuses to comply with a lawful request to submit to testing under sections 169A.50 to 169A.53 or 171.177, or an ordinance in conformity with it, shall be prohibited from operating a snowmobile or all-terrain vehicle for a period of one year. The commissioner shall notify the person of the time period during which the person is prohibited from operating a snowmobile or all-terrain vehicle.

(d) Administrative and judicial review of the operating privileges prohibition is governed by section 97B.066, subdivisions 7 to 9, if the person does not have a prior impaired driving conviction or prior license revocation, as defined in section 169A.03. Otherwise, administrative and judicial review of the prohibition is governed by section 169A.53 or 171.177.

(e) The court shall promptly forward to the commissioner and the Department of Public Safety copies of all convictions and criminal and civil sanctions imposed under:

(1) this section ~~and chapters~~;

(2) chapter 169 ~~and~~ relating to snowmobiles and all-terrain vehicles;

(3) chapter 169A ~~relating to snowmobiles and all-terrain vehicles;~~ and

(4) section 171.177.

(f) A person who violates paragraph (a) or (b), or an ordinance in conformity with either of them, is guilty of a misdemeanor. A person who operates a snowmobile or all-terrain vehicle during the time period the person is prohibited from operating a vehicle under paragraph (c) is guilty of a misdemeanor.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to violations committed on or after that date.

Sec. 7. Minnesota Statutes 2017 Supplement, section 84.925, subdivision 1, is amended to read:

Subdivision 1. **Program Training and certification programs established.** (a) The commissioner shall establish:

(1) a comprehensive all-terrain vehicle environmental and safety education and training certification program, including the preparation and dissemination of vehicle information and safety advice to the public, the training of all-terrain vehicle operators, and the issuance of all-terrain vehicle safety certificates to vehicle operators over the age of 12 years who successfully complete the all-terrain vehicle environmental and safety education and training course-; and

(2) a voluntary all-terrain vehicle online training program for youth and a parent or guardian, offered at no charge for operators at least six years of age but younger than ten years of age.

(b) A parent or guardian must be present at ~~the hands-on a training portion of the program for~~ when the youth who are six through ten is under ten years of age.

(~~b~~) (c) For the purpose of administering the program and to defray the expenses of training and certifying vehicle operators, the commissioner shall collect a fee from each person who receives the training for certification under paragraph (a), clause (1). The commissioner shall collect a fee, to include a \$1 issuing fee for licensing agents, for issuing a duplicate all-terrain vehicle safety certificate. The commissioner shall establish both fees in a manner that neither significantly overrecovers nor underrecovers costs, including overhead costs, involved in providing the services. The fees are not subject to the rulemaking provisions of chapter 14 and section 14.386 does not apply. The fees may be established by the commissioner notwithstanding section 16A.1283. Fee proceeds, except for the issuing fee for licensing agents under this subdivision, shall be deposited in the all-terrain vehicle account in the natural resources fund and the amount thereof, except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, and issuing fees collected by the commissioner, is appropriated annually to the Enforcement Division of the Department of Natural Resources for the administration of the programs. In addition to the fee established by the commissioner, instructors may charge each person up to the established fee amount for class materials and expenses.

(~~e~~) (d) The commissioner shall cooperate with private organizations and associations, private and public corporations, and local governmental units in furtherance of the ~~program programs~~ programs established under this section. School districts may cooperate with the commissioner and volunteer instructors to provide space for the classroom portion of the training. The commissioner shall consult with the commissioner of public safety in regard to ~~training program~~ the subject matter of the training programs and performance testing that leads to the certification of vehicle operators. The commissioner shall incorporate a riding component in the ~~safety education and training program~~ programs established under this section.

Sec. 8. Minnesota Statutes 2017 Supplement, section 84.9256, subdivision 1, is amended to read:

Subdivision 1. **Prohibitions on youthful operators.** (a) Except for operation on public road rights-of-way that is permitted under section 84.928 and as provided under paragraph (j), a driver's license issued by the state or another state is required to operate an all-terrain vehicle along or on a public road right-of-way.

(b) A person under 12 years of age shall not:

- (1) make a direct crossing of a public road right-of-way;
- (2) operate an all-terrain vehicle on a public road right-of-way in the state; or
- (3) operate an all-terrain vehicle on public lands or waters, except as provided in paragraph (f).

(c) Except for public road rights-of-way of interstate highways, a person 12 years of age but less than 16 years may make a direct crossing of a public road right-of-way of a trunk, county state-aid, or county highway or operate on public lands and waters or state or grant-in-aid trails, only if that person possesses a valid all-terrain vehicle safety certificate issued by the commissioner and is accompanied by a person 18 years of age or older who holds a valid driver's license.

(d) To be issued an all-terrain vehicle safety certificate, a person at least 12 years old, but less than 16 years old, must:

(1) successfully complete the safety education and training program under section 84.925, subdivision 1, including a riding component; and

(2) be able to properly reach and control the handle bars and reach the foot pegs while sitting upright on the seat of the all-terrain vehicle.

(e) A person at least ~~six~~ ten years of age may take the safety education and training program and may receive an all-terrain vehicle safety certificate under paragraph (d), but the certificate is not valid until the person reaches age 12.

(f) A person at least ten years of age but under 12 years of age may operate an all-terrain vehicle with an engine capacity up to 110cc if the vehicle is a class 1 all-terrain vehicle with straddle-style seating or up to 170cc if the vehicle is a class 1 all-terrain vehicle with side-by-side-style seating on public lands or waters if accompanied by a parent or legal guardian.

(g) A person under 15 years of age shall not operate a class 2 all-terrain vehicle.

(h) A person under the age of 16 may not operate an all-terrain vehicle on public lands or waters or on state or grant-in-aid trails if the person cannot properly reach and control:

(1) the handle bars and reach the foot pegs while sitting upright on the seat of the all-terrain vehicle with straddle-style seating; or

(2) the steering wheel and foot controls of a class 1 all-terrain vehicle with side-by-side-style seating while sitting upright in the seat with the seat belt fully engaged.

(i) Notwithstanding paragraph (c), a nonresident at least 12 years old, but less than 16 years old, may make a direct crossing of a public road right-of-way of a trunk, county state-aid, or county highway or operate an all-terrain vehicle on public lands and waters or state or grant-in-aid trails if:

(1) the nonresident youth has in possession evidence of completing an all-terrain safety course offered by the ATV Safety Institute or another state as provided in section 84.925, subdivision 3; and

(2) the nonresident youth is accompanied by a person 18 years of age or older who holds a valid driver's license.

(j) A person 12 years of age but less than 16 years of age may operate an all-terrain vehicle on the roadway, bank, slope, or ditch of a public road right-of-way as permitted under section 84.928 if the person:

(1) possesses a valid all-terrain vehicle safety certificate issued by the commissioner; and

(2) is accompanied by a parent or legal guardian on a separate all-terrain vehicle.

Sec. 9. **[84.9258] ALL-TERRAIN VEHICLE PILOT PROJECT; HAYES LAKE STATE PARK.**

(a) A person may operate an all-terrain vehicle in campground areas at Hayes Lake State Park designated by the commissioner of natural resources under this section. The all-terrain vehicle must have a valid state park permit. The commissioner must issue an annual permit for an all-terrain vehicle at the same fee and in the same manner as an annual motorcycle state park permit, unless the all-terrain vehicle is being permitted annually as a second or subsequent vehicle. The person operating the all-terrain vehicle must display the state park permit on the all-terrain vehicle or carry the state park permit while operating the vehicle.

(b) By August 1, 2018, the commissioner of natural resources, in cooperation with Roseau County and the Friends of Hayes Lake State Park, must designate campground areas at Hayes Lake State Park and access routes to those campgrounds from nearby all-terrain vehicle trails as accessible to all-terrain vehicles. The campground areas and access routes designated must have been previously open to motorized vehicle use.

(c) Designations made under this section are not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply.

(d) This section expires January 1, 2021.

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

Sec. 10. Minnesota Statutes 2016, section 84.928, subdivision 2, is amended to read:

Subd. 2. **Operation generally.** A person may not drive or operate an all-terrain vehicle:

- (1) at a rate of speed greater than reasonable or proper under the surrounding circumstances;
- (2) in a careless, reckless, or negligent manner so as to endanger or to cause injury or damage to the person or property of another;
- (3) without headlight and taillight lighted at all times if the vehicle is equipped with headlight and taillight;
- (4) without a functioning stoplight if so equipped;
- (5) in a tree nursery or planting in a manner that damages or destroys growing stock;
- (6) without a brake operational by either hand or foot;
- (7) with more than one person on the vehicle, except as allowed under section 84.9257;
- (8) at a speed exceeding ten miles per hour on the frozen surface of public waters within 100 feet of a person not on an all-terrain vehicle or within 100 feet of a fishing shelter; or
- ~~(9) with a snorkel device that has a raised air intake six inches or more above the vehicle manufacturer's original air intake, except within the Iron Range Off Highway Vehicle Recreation Area as described in section 85.013, subdivision 12a, or other public off highway vehicle recreation areas; or~~
- ~~(10)~~ (9) in a manner that violates operation rules adopted by the commissioner.

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

Sec. 11. Minnesota Statutes 2017 Supplement, section 84D.03, subdivision 3, is amended to read:

Subd. 3. **Bait harvest from infested waters.** (a) Taking wild animals from infested waters for bait or aquatic farm purposes is prohibited except as provided in paragraph (b), (c), or (d) and section 97C.341.

(b) In waters that are listed as infested waters, except those listed as infested with prohibited invasive species of fish or certifiable diseases of fish, as defined under section 17.4982, subdivision 6, taking wild animals may be permitted for:

- (1) commercial taking of wild animals for bait and aquatic farm purposes as provided in a permit issued under section 84D.11, subject to rules adopted by the commissioner; and

(2) bait purposes for noncommercial personal use in waters that contain Eurasian watermilfoil, when the infested waters are listed solely because they contain Eurasian watermilfoil and if the equipment for taking is limited to cylindrical minnow traps not exceeding 16 inches in diameter and 32 inches in length.

(c) In streams or rivers that are listed as infested waters, except those listed as infested with certifiable diseases of fish, as defined under section 17.4982, subdivision 6, the harvest of bullheads, goldeyes, mooneyes, sheepshead (freshwater drum), and suckers for bait by hook and line for noncommercial personal use is allowed as follows:

(1) fish taken under this paragraph must be used on the same body of water where caught and while still on that water body. Where the river or stream is divided by barriers such as dams, the fish must be caught and used on the same section of the river or stream;

(2) fish taken under this paragraph may not be transported live from or off the water body;

(3) fish harvested under this paragraph may only be used in accordance with this section;

(4) any other use of wild animals used for bait from infested waters is prohibited;

(5) fish taken under this paragraph must meet all other size restrictions and requirements as established in rules; and

(6) all species listed under this paragraph shall be included in the person's daily limit as established in rules, if applicable.

(d) In the Minnesota River downstream of Granite Falls, the Mississippi River downstream of St. Anthony Falls, and the St. Croix River downstream of the dam at Taylors Falls, including portions described as Minnesota-Wisconsin boundary waters in Minnesota Rules, part 6266.0500, subpart 1, items A and B, the harvest of gizzard shad by cast net for noncommercial personal use as bait for angling, as provided in a permit issued under section 84D.11, is allowed as follows:

(1) nontarget species must immediately be returned to the water;

(2) gizzard shad taken under this paragraph must be used on the same body of water where caught and while still on that water body. Where the river is divided by barriers such as dams, the gizzard shad must be caught and used on the same section of the river;

(3) gizzard shad taken under this paragraph may not be transported off the water body; and

(4) gizzard shad harvested under this paragraph may only be used in accordance with this section.

~~This paragraph expires December 1, 2017.~~

(e) Equipment authorized for minnow harvest in a listed infested water by permit issued under paragraph (b) may not be transported to, or used in, any waters other than waters specified in the permit.

(f) Bait intended for sale may not be held in infested water after taking and before sale, unless authorized under a license or permit according to Minnesota Rules, part 6216.0500.

EFFECTIVE DATE. This section is effective retroactively from December 1, 2017.

Sec. 12. Minnesota Statutes 2017 Supplement, section 84D.03, subdivision 4, is amended to read:

Subd. 4. **Restrictions in infested and noninfested waters; commercial fishing and turtle, frog, and crayfish harvesting.** (a) All nets, traps, buoys, anchors, stakes, and lines used for commercial fishing or turtle, frog, or crayfish harvesting in an infested water that is listed because it contains invasive fish, invertebrates, aquatic plants or aquatic macrophytes other than Eurasian watermilfoil, or certifiable diseases, as defined in section 17.4982, must be tagged with tags provided by the commissioner, as specified in the commercial licensee's license or permit. Tagged gear must not be used in water bodies other than those specified in the license or permit. The license or permit may authorize department staff to remove tags ~~after the~~ from gear is that has been decontaminated according to a protocol specified by the commissioner if use of the decontaminated gear in other water bodies would not pose an unreasonable risk of harm to natural resources or the use of natural resources in the state. This tagging requirement does not apply to commercial fishing equipment used in Lake Superior.

(b) All nets, traps, buoys, anchors, stakes, and lines used for commercial fishing or turtle, frog, or crayfish harvesting in an infested water that is listed solely because it contains Eurasian watermilfoil must be dried for a minimum of ten days or frozen for a minimum of two days before they are used in any other waters, except as provided in this paragraph. Commercial licensees must notify the department's regional or area fisheries office or a conservation officer before removing nets or equipment from an infested water listed solely because it contains Eurasian watermilfoil and before resetting those nets or equipment in any other waters. Upon notification, the commissioner may authorize a commercial licensee to move nets or equipment to another water without freezing or drying, if that water is listed as infested solely because it contains Eurasian watermilfoil.

(c) A commercial licensee must remove all aquatic macrophytes from nets and other equipment before placing the equipment into waters of the state.

(d) The commissioner shall provide a commercial licensee with a current listing of listed infested waters at the time that a license or permit is issued.

Sec. 13. Minnesota Statutes 2017 Supplement, section 84D.108, subdivision 2b, is amended to read:

Subd. 2b. **Gull Lake pilot study.** (a) The commissioner may include an additional targeted pilot study to include water-related equipment with zebra mussels attached for ~~the Gull Narrows State Water Access Site, Government Point State Water Access Site, and Gull East State~~ water access Site sites on Gull Lake (DNR Division of Waters number 11-0305) in Cass and Crow Wing Counties using the same authorities, general procedures, and requirements provided for the Lake Minnetonka pilot project in subdivision 2a. Lake service providers participating in the Gull Lake targeted pilot study place of business must be located in Cass or Crow Wing County.

(b) If an additional targeted pilot project for Gull Lake is implemented under this section, the report to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over natural resources required under Laws 2016, chapter 189, article 3, section 48, must also include the Gull Lake targeted pilot study recommendations and assessments.

(c) This subdivision expires December 1, 2019.

Sec. 14. Minnesota Statutes 2017 Supplement, section 84D.108, subdivision 2c, is amended to read:

Subd. 2c. **Cross Lake pilot study.** (a) The commissioner may include an additional targeted pilot study to include water-related equipment with zebra mussels attached for ~~the Cross Lake #1 State~~ water access Site sites on Cross Lake (DNR Division of Waters number 18-0312) in Crow Wing County using the same authorities, general procedures, and requirements provided for the Lake Minnetonka pilot project in subdivision 2a. The place of business of lake service providers participating in the Cross Lake targeted pilot study must be located in Cass or Crow Wing County.

(b) If an additional targeted pilot project for Cross Lake is implemented under this section, the report to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over natural resources required under Laws 2016, chapter 189, article 3, section 48, must also include the Cross Lake targeted pilot study recommendations and assessments.

(c) This subdivision expires December 1, 2019.

Sec. 15. Minnesota Statutes 2017 Supplement, section 85.0146, subdivision 1, is amended to read:

Subdivision 1. **Advisory council created.** The Cuyuna Country State Recreation Area Citizens Advisory Council is established. Membership on the advisory council shall include:

(1) a representative of ~~the Cuyuna Range Mineland Recreation Area Joint Powers Board~~ Cuyuna Range Economic Development Inc.;

(2) a representative ~~of~~ for the Croft Mine Historical Park ~~Joint Powers Board~~;

(3) a ~~designee of the Cuyuna Range Mineland Reclamation Committee who has worked as a miner in the local area~~ member at large appointed by the members of the council;

(4) a representative of the Crow Wing County Board;

(5) ~~an elected state official~~ the state senator representing the state recreation area;

(6) the member from the state house of representatives representing the state recreation area;

(7) a representative of the Grand Rapids regional office of the Department of Natural Resources;

~~(7)~~ (8) a designee of the commissioner of Iron Range resources and rehabilitation;

~~(8)~~ (9) a designee of the local business community selected by the area chambers of commerce;

~~(9)~~ (10) a designee of the local environmental community selected by the Crow Wing County District 5 commissioner;

~~(10)~~ (11) a designee of a local education organization selected by the Crosby-Ironton School Board;

~~(11)~~ (12) a designee of one of the recreation area user groups selected by the Cuyuna Range Chamber of Commerce; and

~~(12)~~ (13) a member of the Cuyuna Country Heritage Preservation Society.

Sec. 16. Minnesota Statutes 2016, section 86B.005, subdivision 8a, is amended to read:

Subd. 8a. **Marine carbon monoxide detection system.** "Marine carbon monoxide detection system" means a device or system ~~that meets the requirements of the American Boat and Yacht Council Standard A 24, July, 2015, for carbon monoxide detection systems.~~ for detecting carbon monoxide that is certified by a nationally recognized testing laboratory to conform to current UL Standards for use on recreational boats.

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

Sec. 17. Minnesota Statutes 2016, section 86B.532, subdivision 1, is amended to read:

Subdivision 1. **Requirements; installation.** (a) No motorboat that has an enclosed accommodation compartment may be operated on any waters of the state unless the motorboat is equipped with a functioning marine carbon monoxide detection system installed according to the manufacturer's instructions and this subdivision.

(b) ~~After May 1, 2017,~~ No new motorboat that has an enclosed accommodation compartment may be sold or offered for sale in Minnesota unless the motorboat is equipped with a new functioning marine carbon monoxide detection system installed according to the manufacturer's instructions and this subdivision.

(c) A marine carbon monoxide detection system must be located:

(1) to monitor the atmosphere of the enclosed accommodation compartment; and

(2) within ten feet or 3.048 meters of any designated sleeping accommodations.

(d) A marine carbon monoxide detection system, including a sensor, must not be located within five feet or 1.52 meters of any cooking appliance.

EFFECTIVE DATE. This section is effective May 1, 2018.

Sec. 18. Minnesota Statutes 2016, section 88.10, is amended by adding a subdivision to read:

Subd. 3. Wildland firefighters; training and licensing. Forest officers and all individuals employed as wildland firefighters under this chapter are not subject to the requirements of chapter 299N.

Sec. 19. Minnesota Statutes 2016, section 88.75, subdivision 1, is amended to read:

Subdivision 1. **Misdemeanor offenses; damages; injunctive relief.** (a) Any person who violates any of the provisions of sections 88.03 to 88.22 for which no specific penalty is therein prescribed shall be guilty of a misdemeanor and be punished accordingly.

(b) Failure by any person to comply with any provision or requirement of sections 88.03 to 88.22 to which such person is subject shall be deemed a violation thereof.

(c) Any person who violates ~~any provisions of~~ sections 88.03 to 88.22, in addition to any penalties therein prescribed, or hereinbefore in this section prescribed, for such violation, shall also be liable in full damages to any and every person suffering loss or injury by reason of such violation, including liability to the state, and any of its political subdivisions, for all expenses incurred in fighting or preventing the spread of, or extinguishing, any fire caused by, or resulting from, any violation of these sections. Notwithstanding any statute to the contrary, an attorney who is licensed to practice law in Minnesota and is an employee of the Department of Natural Resources may represent the commissioner in proceedings under this subdivision that are removed to district court from conciliation court. All expenses so collected by the state shall be deposited in the general fund. When a fire set by any person spreads to and damages or destroys property belonging to another, the setting of the fire shall be prima facie evidence of negligence in setting and allowing the same to spread.

(d) At any time the state, or any political subdivision thereof, either of its own motion, or at the suggestion or request of the director, may bring an action in any court of competent jurisdiction to restrain, enjoin, or otherwise prohibit any violation of sections 88.03 to 88.22, whether therein described as a crime or not, and likewise to restrain, enjoin, or prohibit any person from proceeding further in, with, or at any timber cutting or other operations without complying with the provisions of those sections, or the requirements of the director pursuant thereto; and the court may grant such relief, or any other appropriate relief, whenever it shall appear that the same may prevent loss of life or property by fire, or may otherwise aid in accomplishing the purposes of sections 88.03 to 88.22.

Sec. 20. Minnesota Statutes 2016, section 89.551, is amended to read:

89.551 APPROVED FIREWOOD REQUIRED.

(a) After the commissioner issues an order under paragraph (b), a person may not possess firewood on land administered by the commissioner of natural resources unless the firewood:

(1) was obtained from a firewood distribution facility located on land administered by the commissioner;

(2) was obtained from a firewood dealer who is selling firewood that is approved by the commissioner under paragraph (b); or

(3) has been approved by the commissioner of natural resources under paragraph (b).

(b) The commissioner of natural resources shall, by written order published in the State Register, approve firewood for possession on lands administered by the commissioner. The order is not subject to the rulemaking provisions of chapter 14, and section 14.386 does not apply.

(c) A violation under this section is subject to confiscation of firewood ~~and after May 1, 2008, confiscation and a \$100 penalty. A firewood dealer shall be subject to confiscation and assessed a \$100 penalty for each sale of firewood not approved under the provisions of this section and sold for use on land administered by the commissioner.~~

(d) For the purposes of this section, "firewood" means any wood that is intended for use in a campfire, as defined in section 88.01, subdivision 25.

Sec. 21. Minnesota Statutes 2016, section 97A.051, subdivision 2, is amended to read:

Subd. 2. **Summary of fish and game laws.** (a) The commissioner shall prepare a summary of the hunting and fishing laws and rules and deliver a sufficient supply to license vendors ~~to furnish one copy to each person obtaining a hunting, fishing, or trapping license.~~

(b) At the beginning of the summary, under the heading "Trespass," the commissioner shall summarize the trespass provisions under sections 97B.001 to 97B.945, state that conservation officers and peace officers must enforce the trespass laws, and state the penalties for trespassing.

(c) In the summary the commissioner shall, under the heading "Duty to Render Aid," summarize the requirements under section 609.662 and state the penalties for failure to render aid to a person injured by gunshot.

Sec. 22. Minnesota Statutes 2017 Supplement, section 97A.075, subdivision 1, is amended to read:

Subdivision 1. **Deer, bear, and lifetime licenses.** (a) For purposes of this subdivision, "deer license" means a license issued under section 97A.475, subdivisions 2, clauses (5), (6), (7), (13), (14), and (15); 3, paragraph (a), clauses (2), (3), (4), (10), (11), and (12); and 8, paragraph (b), and licenses issued under section 97B.301, subdivision 4.

(b) \$16 from each annual deer license issued under section 97A.475, subdivisions 2, clauses (5), (6), and (7); 3, paragraph (a), clauses (2), (3), and (4); and 8, paragraph (b); \$2 from each annual deer license and \$2 issued under sections 97A.475, subdivisions 2, clauses (13), (14), and (15); and 3, paragraph (a), clauses (10), (11), and (12); and 97B.301, subdivision 4; \$16 annually from the lifetime fish and wildlife trust fund, established in section 97A.4742, for each license issued to a person 18 years of age or older under section 97A.473, subdivision 4; and \$2 annually

from the lifetime fish and wildlife trust fund for each license issued to a person under 18 years of age under section 97A.473, subdivision 4, shall be credited to the deer management account and is appropriated to the commissioner for deer habitat improvement or deer management programs. The deer management account is established as an account in the game and fish fund and may be used only for deer habitat improvement or deer management programs.

(c) \$1 from each annual deer license and each bear license and \$1 annually from the lifetime fish and wildlife trust fund, established in section 97A.4742, for each license issued under section 97A.473, subdivision 4, shall be credited to the deer and bear management account and is appropriated to the commissioner for deer- and bear-management programs, including a computerized licensing system.

(d) Fifty cents from each deer license is credited to the emergency deer feeding and wild Cervidae health-management account and is appropriated for emergency deer feeding and wild Cervidae health management. Money appropriated for emergency deer feeding and wild Cervidae health management is available until expended.

When the unencumbered balance in the appropriation for emergency deer feeding and wild Cervidae health management exceeds \$2,500,000 at the end of a fiscal year, the unencumbered balance in excess of \$2,500,000 is canceled and available for deer- and bear-management programs and computerized licensing.

Sec. 23. **[97A.409] VOTER REGISTRATION INFORMATION.**

(a) On the Department of Natural Resources online license sales Web site for purchasing a resident license to hunt or fish that is required under the game and fish laws, the commissioner must include the voter registration eligibility requirements and a description of how to register to vote before or on election day. On the Web page where an individual has the option to print a license to hunt or fish, the commissioner must include a direct link to the secretary of state's online voter registration Web page.

(b) In the printed and digital versions of fishing regulations and hunting and trapping regulations, the commissioner must include the voter registration eligibility requirements, a description of how to register to vote before or on election day, and a link to the secretary of state's online voter registration Web page. In addition, the commissioner must include a voter registration application in the printed and digital versions of fishing regulations and hunting and trapping regulations.

(c) The secretary of state must provide the required voter registration information to the commissioner. The secretary of state must prepare and approve an alternate form of the voter registration application to be used in the regulations.

EFFECTIVE DATE. Paragraph (a) is effective August 1, 2018, and applies to licenses issued on or after March 1, 2019. Paragraph (b) is effective August 1, 2018, and applies to printed and digital versions of regulations updated on or after that date.

Sec. 24. Minnesota Statutes 2016, section 97A.433, subdivision 4, is amended to read:

Subd. 4. **Discretionary separate selection; eligibility.** (a) The commissioner may conduct a separate selection for up to 20 percent of the elk licenses to be issued for an area. Only owners of, and tenants living on, at least 160 acres of agricultural or grazing land in the area, and their family members, are eligible for the separate selection. Persons that are unsuccessful in a separate selection must be included in the selection for the remaining licenses. Persons who obtain an elk license in a separate selection ~~must allow public elk hunting on their land during the elk season for which the license is valid~~ may sell the license to any Minnesota resident eligible to hunt big game for no more than the original cost of the license.

(b) The commissioner may by rule establish criteria for determining eligible family members under this subdivision.

Sec. 25. Minnesota Statutes 2016, section 97A.433, subdivision 5, is amended to read:

Subd. 5. **Mandatory separate selection.** The commissioner must conduct a separate selection for 20 percent of the elk licenses to be issued each year. Only individuals who have applied at least ten times for an elk license and who have never received a license are eligible for this separate selection. A person who is unsuccessful in a separate selection under this subdivision must be included in the selection for the remaining licenses.

Sec. 26. Minnesota Statutes 2016, section 97A.56, subdivision 2, is amended to read:

Subd. 2. **Prohibited actions; penalty.** (a) A person may not ~~possess or~~ release feral swine or swine that were feral during any part of the swine's lifetime or allow feral swine to run at large. Except as provided under paragraph (b), a person may not possess feral swine or swine that were feral during any part of the swine's lifetime.

(b) A person may not hunt or trap feral swine, except as authorized by the commissioner for feral swine control or eradication. It is not a violation of this section if a person shoots a feral swine and reports the taking to the commissioner within 24 hours. All swine taken in this manner must be surrendered to the commissioner unless the commissioner authorizes the person to keep the swine.

(c) A person who violates this subdivision is guilty of a misdemeanor.

Sec. 27. Minnesota Statutes 2016, section 97B.015, subdivision 6, is amended to read:

Subd. 6. **Provisional certificate for persons with permanent physical or developmental disability.** Upon the recommendation of a course instructor, the commissioner may issue a provisional firearms safety certificate to a person who satisfactorily completes the classroom portion of the firearms safety course but is unable to pass the written or an alternate format exam portion of the course because of a permanent physical disability or developmental disability as defined in section 97B.1055, subdivision 1. The certificate is valid only when used according to section 97B.1055.

Sec. 28. Minnesota Statutes 2016, section 97B.081, subdivision 3, is amended to read:

Subd. 3. **Exceptions.** (a) It is not a violation of this section for a person to:

(1) cast the rays of a spotlight, headlight, or other artificial light to take raccoons according to section 97B.621, subdivision 3, or tend traps according to section 97B.931;

(2) hunt fox or coyote from January 1 to March 15 while using ~~a handheld~~ an artificial light, provided that the person is:

(i) on foot;

(ii) using a shotgun;

(iii) not within a public road right-of-way;

(iv) using a handheld or electronic calling device; and

(v) not within 200 feet of a motor vehicle; or

(3) cast the rays of a handheld artificial light to retrieve wounded or dead big game animals, provided that the person is:

- (i) on foot; and
- (ii) not in possession of a firearm or bow.

(b) It is not a violation of subdivision 2 for a person to cast the rays of a spotlight, headlight, or other artificial light to:

(1) carry out any agricultural, safety, emergency response, normal vehicle operation, or occupation-related activities that do not involve taking wild animals; or

(2) carry out outdoor recreation as defined in section 97B.001 that is not related to spotting, locating, or taking a wild animal.

(c) Except as otherwise provided by the game and fish laws, it is not a violation of this section for a person to use an electronic range finder device from one-half hour before sunrise until one-half hour after sunset while lawfully hunting wild animals.

(d) It is not a violation of this section for a licensed bear hunter to cast the rays of a handheld artificial light to track or retrieve a wounded or dead bear while possessing a firearm, provided that the person:

- (1) has the person's valid bear-hunting license in possession;
- (2) is on foot; and
- (3) is following the blood trail of a bear that was shot during legal shooting hours.

Sec. 29. Minnesota Statutes 2016, section 97B.1055, is amended to read:

97B.1055 HUNTING BY PERSONS WITH A PERMANENT PHYSICAL OR DEVELOPMENTAL DISABILITY.

Subdivision 1. **Definitions.** For purposes of this section and section 97B.015, subdivision 6:

(1) "person with developmental disability" means a person who has been diagnosed as having substantial limitations in present functioning, manifested as significantly subaverage intellectual functioning, existing concurrently with demonstrated deficits in adaptive behavior, and who manifests these conditions before the person's 22nd birthday;

~~A~~ (2) "person with a related condition" means a person who meets the diagnostic definition under section 252.27, subdivision 1a; and

(3) "person with a permanent physical disability" means a person who has a physical disability that prevents them from being able to navigate natural terrain or hold a firearm for the purpose of a required field component for the firearms safety training program under section 97B.020.

Subd. 2. **Obtaining a license.** (a) Notwithstanding section 97B.020, a person with a permanent physical disability or developmental disability may obtain a firearms hunting license with a provisional firearms safety certificate issued under section 97B.015, subdivision 6.

(b) Any person accompanying or assisting a person with a permanent physical disability or developmental disability under this section must possess a valid firearms safety certificate issued by the commissioner.

Subd. 3. **Assistance required.** A person who obtains a firearms hunting license under subdivision 2 must be accompanied and assisted by a parent, guardian, or other adult person designated by a parent or guardian when hunting. A person who is not hunting but is solely accompanying and assisting a person with a permanent physical disability or developmental disability need not obtain a hunting license.

Subd. 4. **Prohibited activities.** (a) This section does not entitle a person to possess a firearm if the person is otherwise prohibited from possessing a firearm under state or federal law or a court order.

(b) No person shall knowingly authorize or permit a person, who by reason of a permanent physical disability or developmental disability is incapable of safely possessing a firearm, to possess a firearm to hunt in the state or on any boundary water of the state.

Sec. 30. Minnesota Statutes 2016, section 97C.345, subdivision 3a, is amended to read:

Subd. 3a. **Cast nets for gizzard shad.** (a) Cast nets may be used only to take gizzard shad for use as bait for angling:

(1) from July 1 to November 30; and

(2) from the Minnesota River downstream of Granite Falls, Mississippi River downstream of St. Anthony Falls, and the St. Croix River downstream of the dam at Taylors Falls, including portions described as Minnesota-Wisconsin boundary waters in Minnesota Rules, part 6266.0500, subpart 1, items A and B, that are listed as infested waters as allowed under section 84D.03, subdivision 3.

(b) Cast nets used under this subdivision must be monofilament and may not exceed ~~seven~~ five feet in ~~diameter~~ radius, and mesh size must be from three-eighths to five-eighths inch bar measure. No more than two cast nets may be used at one time.

~~(c) This subdivision expires December 1, 2017. The commissioner must report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over environment and natural resources by March 1, 2018, on the number of permits issued, conservation impacts from the use of cast nets, and recommendations for any necessary changes in statutes or rules.~~

EFFECTIVE DATE. This section is effective retroactively from December 1, 2017.

Sec. 31. Minnesota Statutes 2016, section 103B.3369, subdivision 5, is amended to read:

Subd. 5. **Financial assistance.** A base grant, contract, or payment may be awarded to a county or other local unit of government that provides a match utilizing a water implementation tax or other local source. A water implementation tax that a county or other local unit of government intends to use as a match to the base grant must be levied at a rate sufficient to generate a minimum amount determined by the board. The board may award performance-based or watershed-based grants, contracts, or payments to local units of government that are responsible for implementing elements of applicable portions of watershed management plans, comprehensive plans, local water management plans, or comprehensive watershed management plans, developed or amended, adopted and approved, according to chapter 103B, 103C, or 103D. Upon request by a local government unit, the board may also award performance-based grants to local units of government to carry out TMDL implementation plans as provided in chapter 114D, if the TMDL implementation plan has been incorporated into the local water management plan according to the procedures for approving comprehensive plans, watershed management plans,

local water management plans, or comprehensive watershed management plans under chapter 103B, 103C, or 103D, or if the TMDL implementation plan has undergone a public review process. Notwithstanding section 16A.41, the board may award ~~performance-based grants, contracts, or payments~~ on an advanced basis. The fee authorized in section 40A.152 may be used as a local match or as a supplement to state funding to accomplish implementation of comprehensive plans, watershed management plans, local water management plans, or comprehensive watershed management plans under this chapter and chapter 103C or 103D.

Sec. 32. Minnesota Statutes 2016, section 103B.3369, subdivision 9, is amended to read:

Subd. 9. ~~Performance-based Criteria.~~ (a) The board ~~shall~~ must develop and utilize performance-based criteria for local water resources restoration, protection, and management programs and projects. The criteria may include but are not limited to science-based assessments, organizational capacity, priority resource issues, community outreach and support, partnership potential, potential for multiple benefits, and program and project delivery efficiency and effectiveness.

(b) Notwithstanding paragraph (a), the board may develop and utilize eligibility criteria for base amounts of state funding to local governments.

Sec. 33. Minnesota Statutes 2016, section 103B.3369, is amended by adding a subdivision to read:

Subd. 10. **Red River Basin Commission.** (a) The board may provide information and technical or financial support to the Red River Basin Commission in furtherance of the watershed management policy under section 103A.212.

(b) For the purposes of this subdivision, "Red River Basin Commission" means a Red River of the North transboundary, nonprofit corporation organized under section 501(c)(3) of the Internal Revenue Code and respective bylaws with the purpose of facilitating transboundary and basin-wide dialogue; consulting with citizens, land users, organizations, and governments; and coordinating basin-wide interstate and international efforts on water management including but not limited to flood mitigation, water quality, water supply, drainage, aquatic health, and recreation.

Sec. 34. Minnesota Statutes 2016, section 103B.801, subdivision 2, is amended to read:

Subd. 2. **Program purposes.** The purposes of the comprehensive watershed management plan program under section 103B.101, subdivision 14, paragraph (a), are to:

(1) align local water planning purposes and procedures under this chapter and chapters 103C and 103D on watershed boundaries to create a systematic, watershed-wide, science-based approach to watershed management;

(2) acknowledge and build off existing local government structure, water plan services, and local capacity;

(3) incorporate and make use of data and information, including watershed restoration and protection strategies under section 114D.26, which may serve to fulfill all or some of the requirements under chapter 114D;

(4) solicit input and engage experts from agencies, citizens, and stakeholder groups;

(5) focus on implementation of prioritized and targeted actions capable of achieving measurable progress; and

(6) serve as a substitute for a comprehensive plan, local water management plan, or watershed management plan developed or amended, approved, and adopted, according to this chapter or chapter 103C or 103D.

Sec. 35. Minnesota Statutes 2016, section 103B.801, subdivision 5, is amended to read:

Subd. 5. **Timelines; administration.** (a) The board shall develop and adopt, by June 30, 2016, a transition plan for development, approval, adoption, and coordination of plans consistent with section 103A.212. The transition plan must include a goal of completing statewide transition to comprehensive watershed management plans by 2025. The metropolitan area may be considered for inclusion in the transition plan. The board may amend the transition plan no more often than once every two years.

(b) The board may use the authority under section 103B.3369, subdivision 9, to support development or implementation of a comprehensive watershed management plan under this section.

Sec. 36. Minnesota Statutes 2016, section 103E.021, subdivision 6, is amended to read:

Subd. 6. **Incremental ~~implementation~~ establishment of vegetated ditch buffer strips and side inlet controls.** (a) Notwithstanding other provisions of this chapter requiring appointment of viewers and redetermination of benefits and damages, a drainage authority may ~~implement~~ make findings and order the establishment of permanent buffer strips of perennial vegetation approved by the drainage authority or side inlet controls, or both, adjacent to a public drainage ditch, where necessary to control erosion and sedimentation, improve water quality, or maintain the efficiency of the drainage system. The drainage authority's finding that the establishment of permanent buffer strips of perennial vegetation or side inlet controls is necessary to control erosion and sedimentation, improve water quality, or maintain the efficiency of the drainage system is sufficient to confer jurisdiction under this subdivision. Preference should be given to planting native species of a local ecotype. The approved perennial vegetation shall not impede future maintenance of the ditch. The permanent strips of perennial vegetation shall be 16-1/2 feet in width measured outward from the top edge of the existing constructed channel. Drainage system rights-of-way for the acreage and additional property required for the permanent strips must be acquired by the authority having jurisdiction.

(b) A project under this subdivision shall be implemented as a repair according to section 103E.705, except that the drainage authority may appoint an engineer to examine the drainage system and prepare an engineer's repair report for the project.

(c) Damages shall be determined by the drainage authority, or viewers, appointed by the drainage authority, according to section 103E.315, subdivision 8. A damages statement shall be prepared, including an explanation of how the damages were determined for each property affected by the project, and filed with the auditor or watershed district. Within 30 days after the damages statement is filed, the auditor or watershed district shall prepare property owners' reports according to section 103E.323, subdivision 1, clauses (1), (2), (6), (7), and (8), and mail a copy of the property owner's report and damages statement to each owner of property affected by the proposed project.

(d) After a damages statement is filed, the drainage authority shall set a time, by order, not more than 30 days after the date of the order, for a hearing on the project. At least ten days before the hearing, the auditor or watershed district shall give notice by mail of the time and location of the hearing to the owners of property and political subdivisions likely to be affected by the project.

(e) The drainage authority shall make findings and order the repairs to be made if the drainage authority determines from the evidence presented at the hearing and by the viewers and engineer, if appointed, that the repairs are necessary for the drainage system and the costs of the repairs are within the limitations of section 103E.705.

Sec. 37. Minnesota Statutes 2016, section 103E.071, is amended to read:

103E.071 COUNTY ATTORNEY.

The county attorney shall represent the county in all drainage proceedings and related matters without special compensation, except as provided in section 388.09, subdivision 1. A county attorney, the county attorney's assistant, or any attorney associated with the county attorney in business, may not otherwise appear in any drainage proceeding for any interested person.

Sec. 38. Minnesota Statutes 2016, section 103G.2242, subdivision 14, is amended to read:

Subd. 14. **Fees established.** (a) Fees must be assessed for managing wetland bank accounts and transactions as follows:

(1) account maintenance annual fee: one percent of the value of credits not to exceed \$500;

(2) account establishment, deposit, or transfer: 6.5 percent of the value of credits not to exceed \$1,000 per establishment, deposit, or transfer; and

(3) withdrawal fee: 6.5 percent of the value of credits withdrawn.

(b) The board ~~may~~ must establish fees ~~at or~~ based on costs to the agency below the amounts in paragraph (a) for single-user or other dedicated wetland banking accounts.

(c) Fees for single-user or other dedicated wetland banking accounts established pursuant to section 103G.005, subdivision 10i, clause (4), are limited to establishment of a wetland banking account and are assessed at the rate of 6.5 percent of the value of the credits not to exceed \$1,000.

(d) The board may assess a fee to pay the costs associated with establishing conservation easements, or other long-term protection mechanisms prescribed in the rules adopted under subdivision 1, on property used for wetland replacement.

Sec. 39. Minnesota Statutes 2017 Supplement, section 103G.271, subdivision 7, is amended to read:

Subd. 7. **Transfer of permit.** A water-use permit may be transferred to a successive owner of real property if the permittee conveys the real property where the source of water is located. The new owner must notify the commissioner immediately after the conveyance and request transfer of the permit. The commissioner must not deny the transfer of a permit if the permittee is in compliance with all permit conditions and the permit meets the requirements of sections 103G.255 to 103G.301. The commissioner may not require additional conditions or require additional testing when transferring a permit.

Sec. 40. **[103G.276] IRRIGATION TEST WELLS.**

If the commissioner requires installation of a test well for a water appropriation permit for irrigation and denies the permit, the commissioner must pay the costs of the well.

Sec. 41. Minnesota Statutes 2016, section 103G.287, is amended by adding a subdivision to read:

Subd. 6. **Management plans.** (a) Before the commissioner approves a management plan or modification to a management plan for appropriating groundwater that restricts water usage in the area, the commissioner must demonstrate to affected permit holders that any data used to make the decision to restrict the usage supports or verifies the decision.

(b) Before the commissioner approves a management plan or modification to a management plan for appropriating groundwater, the commissioner must consider the economic impact of the plan or modification.

Sec. 42. Minnesota Statutes 2016, section 114D.15, is amended by adding a subdivision to read:

Subd. 3a. **Comprehensive local water management plan.** "Comprehensive local water management plan" has the meaning given under section 103B.3363, subdivision 3.

Sec. 43. Minnesota Statutes 2016, section 114D.15, is amended by adding a subdivision to read:

Subd. 3b. **Comprehensive watershed management plan.** "Comprehensive watershed management plan" has the meaning given under section 103B.3363, subdivision 3a.

Sec. 44. Minnesota Statutes 2016, section 114D.15, subdivision 7, is amended to read:

Subd. 7. **Restoration.** "Restoration" means actions, ~~including effectiveness monitoring, that~~ are taken to pursue, achieve, and maintain water quality standards for impaired waters ~~in accordance with a TMDL that has been approved by the United States Environmental Protection Agency under federal TMDL requirements.~~

Sec. 45. Minnesota Statutes 2016, section 114D.15, subdivision 11, is amended to read:

Subd. 11. **TMDL implementation plan.** "TMDL implementation plan" means:

(1) a document detailing restoration activities needed to meet the approved TMDL's pollutant load allocations for point and nonpoint sources; or

(2) one of the following that the commissioner of the Pollution Control Agency determines to be, in whole or part, sufficient to meet applicable water quality standards:

(i) a comprehensive watershed management plan;

(ii) a comprehensive local water management plan; or

(iii) an existing statewide or regional strategy published by the Pollution Control Agency.

Sec. 46. Minnesota Statutes 2016, section 114D.15, subdivision 13, is amended to read:

Subd. 13. **Watershed restoration and protection strategy or WRAPS.** "Watershed restoration and protection strategy" or "WRAPS" means a document summarizing scientific studies of a major watershed ~~no larger than~~ at approximately a hydrologic unit code 8 scale including the physical, chemical, and biological assessment of the water quality of the watershed; identification of impairments and water bodies in need of protection; identification of biotic stressors and sources of pollution, both point and nonpoint; TMDL's for the impairments; and ~~an implementation table containing~~ information to support strategies and actions designed to achieve and maintain water quality standards and goals.

Sec. 47. Minnesota Statutes 2016, section 114D.20, subdivision 2, is amended to read:

Subd. 2. **Goals for implementation.** The following goals must guide the implementation of this chapter:

(1) to identify impaired waters in accordance with federal TMDL requirements ~~within ten years after May 23, 2006, and thereafter~~ to ensure continuing evaluation of surface waters for impairments;

(2) to submit TMDL's to the United States Environmental Protection Agency ~~for all impaired waters~~ in a timely manner in accordance with federal TMDL requirements;

(3) to ~~set a reasonable time~~ inform and support strategies for implementing restoration ~~of each identified impaired water~~ and protection activities in a reasonable time period;

(4) to systematically evaluate waters, to provide assistance and incentives to prevent waters from becoming impaired, and to improve the quality of waters that are listed as impaired ~~but do not have an approved TMDL addressing the impairment~~;

(5) to promptly seek the delisting of waters from the impaired waters list when those waters are shown to achieve the designated uses applicable to the waters;

(6) to achieve compliance with federal Clean Water Act requirements in Minnesota;

(7) to support effective measures to prevent the degradation of groundwater according to the groundwater degradation prevention goal under section 103H.001; and

(8) to support effective measures to restore degraded groundwater.

Sec. 48. Minnesota Statutes 2016, section 114D.20, subdivision 3, is amended to read:

Subd. 3. **Implementation policies.** The following policies must guide the implementation of this chapter:

(1) develop regional ~~and, multiple pollutant, or~~ watershed TMDL's ~~and TMDL implementation plans, and TMDL's and TMDL implementation plans for multiple pollutants~~ or WRAPSs, where reasonable and feasible;

(2) maximize use of available organizational, technical, and financial resources to perform sampling, monitoring, and other activities to identify degraded groundwater and impaired waters, including use of citizen monitoring and citizen monitoring data used by the Pollution Control Agency in assessing water quality that meets the requirements ~~in Appendix D of the Volunteer Surface Water Monitoring Guide, Minnesota~~ established by the commissioner of the Pollution Control Agency (2003);

(3) maximize opportunities for restoration of degraded groundwater and impaired waters, by prioritizing and targeting of available programmatic, financial, and technical resources and by providing additional state resources to complement and leverage available resources;

(4) use existing regulatory authorities to achieve restoration for point and nonpoint sources of pollution where applicable, and promote the development and use of effective nonregulatory measures to address pollution sources for which regulations are not applicable;

(5) use restoration methods that have a demonstrated effectiveness in reducing impairments and provide the greatest long-term positive impact on water quality protection and improvement and related conservation benefits while incorporating innovative approaches on a case-by-case basis;

(6) identify for the legislature any innovative approaches that may strengthen or complement existing programs;

(7) identify and encourage implementation of measures to prevent surface waters from becoming impaired and to improve the quality of waters that are listed as impaired but have no approved TMDL addressing the impairment using the best available data and technology, and establish and report outcome-based performance measures that monitor the progress and effectiveness of protection and restoration measures;

(8) monitor and enforce cost-sharing contracts and impose monetary damages in an amount up to 150 percent of the financial assistance received for failure to comply; and

(9) identify and encourage implementation of measures to prevent groundwater from becoming degraded and measures that restore groundwater resources.

Sec. 49. Minnesota Statutes 2016, section 114D.20, subdivision 5, is amended to read:

Subd. 5. **Priorities for preparing WRAPs AND TMDL's.** In consultation with the Clean Water Council shall recommend, the commissioner of the Pollution Control Agency must coordinate with the commissioners of natural resources, health, and agriculture, the Board of Water and Soil Resources, and, when applicable, the Minnesota Forest Resources Council to establish priorities for scheduling and preparing WRAPs and TMDL's and TMDL implementation plans, taking into account, considering the severity and causes of the impairment ~~impairments, the designated uses of those the waters, and other applicable federal TMDL requirements.—In recommending priorities, the council shall also give Consideration to, groundwater and high-quality waters and watersheds watershed protection, waters and watersheds with declining water quality trends, waters used as drinking water sources, and waters and watersheds:~~

(1) with impairments that pose the greatest potential risk to human health;

(2) with impairments that pose the greatest potential risk to threatened or endangered species;

(3) with impairments that pose the greatest potential risk to aquatic health;

(4) where other public agencies and participating organizations and individuals, especially local, ~~basinwide~~ basin-wide, watershed, or regional agencies or organizations, have demonstrated readiness to assist in carrying out the responsibilities, including availability and organization of human, technical, and financial resources necessary to undertake the work; and

(5) where there is demonstrated coordination and cooperation among cities, counties, watershed districts, and soil and water conservation districts in planning and implementation of activities that will assist in carrying out the responsibilities.

Sec. 50. Minnesota Statutes 2016, section 114D.20, subdivision 7, is amended to read:

Subd. 7. **Priorities for funding prevention actions.** The Clean Water Council shall apply the priorities applicable under subdivision 6, as far as practicable, when recommending priorities for funding actions to prevent groundwater and surface waters from becoming degraded or impaired and to improve the quality of surface waters that are listed as impaired ~~but do not have an approved TMDL.~~

Sec. 51. Minnesota Statutes 2016, section 114D.20, is amended by adding a subdivision to read:

Subd. 8. **Alternatives; TMDL, TMDL implementation plan, or WRAPs.** (a) If the commissioner of the Pollution Control Agency determines that a comprehensive watershed management plan or comprehensive local water management plan contains information that is sufficient and consistent with guidance from the United States Environmental Protection Agency, including the recommended structure for category 4b demonstrations or its replacement under section 303(d) of the federal Clean Water Act, the commissioner may submit the plan to the Environmental Protection Agency according to federal TMDL requirements as an alternative to developing a TMDL.

(b) A TMDL implementation plan or a WRAPS, or portions thereof, are not needed for waters or watersheds when the commissioner of the Pollution Control Agency determines that a comprehensive watershed management plan, a comprehensive local water management plan, or a statewide or regional strategy published by the Pollution Control Agency meets the definition in section 114D.15, subdivision 11 or 13.

(c) The commissioner of the Pollution Control Agency may request that the Board of Water and Soil Resources conduct an evaluation of the implementation efforts under a comprehensive watershed management plan or comprehensive local water management plan when the commissioner makes a determination under paragraph (b). The board must conduct the evaluation in accordance with section 103B.102.

(d) The commissioner of the Pollution Control Agency may amend or revoke a determination made under paragraph (a) or (b) after considering the evaluation conducted under paragraph (c).

Sec. 52. Minnesota Statutes 2016, section 114D.20, is amended by adding a subdivision to read:

Subd. 9. **Coordinating municipal and local water quality activities.** A project, practice, or program for water quality improvement or protection that is conducted by a watershed management organization or a local government unit with a comprehensive watershed management plan or other water management plan approved according to chapter 103B, 103C, or 103D may be considered as contributing to the requirements of a storm water pollution prevention plan (SWPPP) for a municipal separate storm sewer systems (MS4) permit unless the project, practice, or program was previously documented as contributing to a different SWPPP for an MS4 permit.

Sec. 53. Minnesota Statutes 2016, section 114D.26, is amended to read:

114D.26 WATERSHED RESTORATION AND PROTECTION STRATEGIES.

Subdivision 1. **Contents.** (a) The commissioner of the Pollution Control Agency ~~shall~~ must develop watershed restoration and protection strategies: for:

- (1) quantifying impairments and risks to water quality;
- (2) describing the causes of impairments and pollution sources;
- (3) consolidating TMDLs in a major watershed; and
- (4) informing comprehensive local water management plans and comprehensive watershed management plans.

(b) To ensure effectiveness, efficiency, and accountability in meeting the goals of this chapter, the commissioner of the Pollution Control Agency and the Board of Water and Soil Resources must coordinate the schedule, budget, scope, and use of a WRAPS and related documents and processes in consultation with local government units and, when applicable, the Minnesota Forest Resources Council in consideration of section 114D.20, subdivision 8. Each WRAPS ~~shall~~ must:

- (1) identify impaired waters and waters in need of protection;
- (2) identify biotic stressors causing impairments or threats to water quality;
- (3) summarize watershed modeling outputs and resulting pollution load allocations, and wasteload allocations, ~~and priority areas for targeting actions to improve water quality~~ and identify areas with high pollutant-loading rates;

(4) identify point sources of pollution for which a national pollutant discharge elimination system permit is required under section 115.03;

(5) identify nonpoint sources of pollution for which a national pollutant discharge elimination system permit is not required under section 115.03, with sufficient specificity to ~~prioritize and~~ geographically ~~locate~~ inform watershed restoration and protection ~~actions~~ strategies;

(6) describe the current pollution loading and load reduction needed for each source or source category to meet water quality standards and goals, including wasteload and load allocations from TMDL's;

(7) ~~contain a plan for ongoing~~ identify water quality monitoring needed to fill data gaps, determine changing conditions, ~~and~~ or gauge implementation effectiveness; and

(8) contain ~~an implementation table of strategies and actions~~ that are capable of cumulatively achieving needed pollution load reductions for point and nonpoint sources, including identifying:

(i) water quality parameters of concern;

(ii) current water quality conditions;

(iii) water quality goals and targets by parameter of concern; and

(iv) ~~strategies and actions by parameter of concern~~ and an example of the scale of adoptions ~~needed for each;~~ with a timeline to meet the water quality restoration or protection goals of this chapter.

~~(v) a timeline for achievement of water quality targets;~~

~~(vi) the governmental units with primary responsibility for implementing each watershed restoration or protection strategy; and~~

~~(vii) a timeline and interim milestones for achievement of watershed restoration or protection implementation actions within ten years of strategy adoption.~~

Subd. 2. **Reporting.** ~~Beginning July 1, 2016, and every other year thereafter, The commissioner of the~~ Pollution Control Agency must periodically report on ~~its~~ the agency's Web site the progress toward implementation milestones and water quality goals ~~for all adopted TMDL's and, where available, WRAPS's.~~

Subd. 3. **Timelines; administration.** ~~Each year, (a) The commissioner of the~~ Pollution Control Agency must complete ~~WRAPS's for at least ten percent of~~ watershed restoration and protection strategies for the state's major watersheds. ~~WRAPS shall be by June 30, 2023, unless the commissioner determines that a comprehensive watershed management plan or comprehensive local water management plan, in whole or part, meets the definition in section 114D.15, subdivision 11 or 13. As needed, the commissioner must update the strategies, in whole or part, after consultation with the Board of Water and Soil Resources and local government units.~~

~~(b) Watershed restoration and protection strategies are~~ governed by the procedures for approval and notice in section 114D.25, subdivisions 2 and 4, except that ~~WRAPS~~ the strategies need not be submitted to the United States Environmental Protection Agency.

Sec. 54. Minnesota Statutes 2016, section 114D.35, subdivision 1, is amended to read:

Subdivision 1. **Public and stakeholder participation.** ~~(a) Public agencies and private entities involved in the implementation of implementing this chapter shall must encourage participation by the public and stakeholders, including local citizens, landowners and, land managers, and public and private organizations, in identifying impaired waters, in developing TMDL's, in planning, priority setting, and implementing restoration of impaired waters, in identifying degraded groundwater, and in protecting and restoring groundwater resources.~~

~~(b) In particular, the commissioner of the Pollution Control Agency shall must make reasonable efforts to provide timely information to the public and to stakeholders about impaired waters that have been identified by the agency. The agency shall seek broad and early public and stakeholder participation in scoping the activities necessary to develop a TMDL, including the scientific models, methods, and approaches to be used in TMDL development, and to implement restoration pursuant to section 114D.15, subdivision 7. and to inform and consult with the public and stakeholders in developing a WRAPS or TMDL.~~

~~(c) Public agencies and private entities involved in implementing restoration and protection identified in a comprehensive watershed management plan or comprehensive local water management plan must make efforts to inform, consult, and involve the public and stakeholders.~~

~~(d) The commissioner of the Pollution Control Agency and the Board of Water and Soil Resources must coordinate public and stakeholder participation in consultation with local government units. To the extent practicable, implementation of this chapter must be accomplished in cooperation with local, state, federal, and tribal governments and private sector organizations.~~

Sec. 55. Minnesota Statutes 2016, section 114D.35, subdivision 3, is amended to read:

Subd. 3. **Education.** The Clean Water Council shall develop strategies for informing, educating, and encouraging the participation of citizens, stakeholders, and others regarding ~~the identification of impaired waters, development of TMDL's, development of TMDL implementation plans, implementation of restoration for impaired waters, identification of degraded groundwater, and protection and restoration of groundwater resources this chapter.~~ Public agencies ~~shall be~~ are responsible for implementing the strategies.

Sec. 56. Minnesota Statutes 2016, section 115.03, subdivision 1, is amended to read:

Subdivision 1. **Generally.** The agency is hereby given and charged with the following powers and duties:

(a) to administer and enforce all laws relating to the pollution of any of the waters of the state;

(b) to investigate the extent, character, and effect of the pollution of the waters of this state and to gather data and information necessary or desirable in the administration or enforcement of pollution laws, and to make such classification of the waters of the state as it may deem advisable;

(c) to establish and alter such reasonable pollution standards for any waters of the state in relation to the public use to which they are or may be put as it shall deem necessary for the purposes of this chapter and, with respect to the pollution of waters of the state, chapter 116;

(d) to encourage waste treatment, including advanced waste treatment, instead of stream low-flow augmentation for dilution purposes to control and prevent pollution;

(e) to adopt, issue, reissue, modify, deny, or revoke, enter into or enforce reasonable orders, permits, variances, standards, rules, schedules of compliance, and stipulation agreements, under such conditions as it may prescribe, in order to prevent, control or abate water pollution, or for the installation or operation of disposal systems or parts thereof, or for other equipment and facilities:

(1) requiring the discontinuance of the discharge of sewage, industrial waste or other wastes into any waters of the state resulting in pollution in excess of the applicable pollution standard established under this chapter;

(2) prohibiting or directing the abatement of any discharge of sewage, industrial waste, or other wastes, into any waters of the state or the deposit thereof or the discharge into any municipal disposal system where the same is likely to get into any waters of the state in violation of this chapter and, with respect to the pollution of waters of the state, chapter 116, or standards or rules promulgated or permits issued pursuant thereto, and specifying the schedule of compliance within which such prohibition or abatement must be accomplished;

(3) prohibiting the storage of any liquid or solid substance or other pollutant in a manner which does not reasonably assure proper retention against entry into any waters of the state that would be likely to pollute any waters of the state;

(4) requiring the construction, installation, maintenance, and operation by any person of any disposal system or any part thereof, or other equipment and facilities, or the reconstruction, alteration, or enlargement of its existing disposal system or any part thereof, or the adoption of other remedial measures to prevent, control or abate any discharge or deposit of sewage, industrial waste or other wastes by any person;

(5) establishing, and from time to time revising, standards of performance for new sources taking into consideration, among other things, classes, types, sizes, and categories of sources, processes, pollution control technology, cost of achieving such effluent reduction, and any nonwater quality environmental impact and energy requirements. Said standards of performance for new sources shall encompass those standards for the control of the discharge of pollutants which reflect the greatest degree of effluent reduction which the agency determines to be achievable through application of the best available demonstrated control technology, processes, operating methods, or other alternatives, including, where practicable, a standard permitting no discharge of pollutants. New sources shall encompass buildings, structures, facilities, or installations from which there is or may be the discharge of pollutants, the construction of which is commenced after the publication by the agency of proposed rules prescribing a standard of performance which will be applicable to such source. Notwithstanding any other provision of the law of this state, any point source the construction of which is commenced after May 20, 1973, and which is so constructed as to meet all applicable standards of performance for new sources shall, consistent with and subject to the provisions of section 306(d) of the Amendments of 1972 to the Federal Water Pollution Control Act, not be subject to any more stringent standard of performance for new sources during a ten-year period beginning on the date of completion of such construction or during the period of depreciation or amortization of such facility for the purposes of section 167 or 169, or both, of the Federal Internal Revenue Code of 1954, whichever period ends first. Construction shall encompass any placement, assembly, or installation of facilities or equipment, including contractual obligations to purchase such facilities or equipment, at the premises where such equipment will be used, including preparation work at such premises;

(6) establishing and revising pretreatment standards to prevent or abate the discharge of any pollutant into any publicly owned disposal system, which pollutant interferes with, passes through, or otherwise is incompatible with such disposal system;

(7) requiring the owner or operator of any disposal system or any point source to establish and maintain such records, make such reports, install, use, and maintain such monitoring equipment or methods, including where appropriate biological monitoring methods, sample such effluents in accordance with such methods, at such locations, at such intervals, and in such a manner as the agency shall prescribe, and providing such other information as the agency may reasonably require;

(8) notwithstanding any other provision of this chapter, and with respect to the pollution of waters of the state, chapter 116, requiring the achievement of more stringent limitations than otherwise imposed by effluent limitations in order to meet any applicable water quality standard by establishing new effluent limitations, based upon section

115.01, subdivision 13, clause (b), including alternative effluent control strategies for any point source or group of point sources to insure the integrity of water quality classifications, whenever the agency determines that discharges of pollutants from such point source or sources, with the application of effluent limitations required to comply with any standard of best available technology, would interfere with the attainment or maintenance of the water quality classification in a specific portion of the waters of the state. Prior to establishment of any such effluent limitation, the agency shall hold a public hearing to determine the relationship of the economic and social costs of achieving such limitation or limitations, including any economic or social dislocation in the affected community or communities, to the social and economic benefits to be obtained and to determine whether or not such effluent limitation can be implemented with available technology or other alternative control strategies. If a person affected by such limitation demonstrates at such hearing that, whether or not such technology or other alternative control strategies are available, there is no reasonable relationship between the economic and social costs and the benefits to be obtained, such limitation shall not become effective and shall be adjusted as it applies to such person;

(9) modifying, in its discretion, any requirement or limitation based upon best available technology with respect to any point source for which a permit application is filed after July 1, 1977, upon a showing by the owner or operator of such point source satisfactory to the agency that such modified requirements will represent the maximum use of technology within the economic capability of the owner or operator and will result in reasonable further progress toward the elimination of the discharge of pollutants; and

(10) requiring that applicants for wastewater discharge permits evaluate in their applications the potential reuses of the discharged wastewater;

(f) to require to be submitted and to approve plans and specifications for disposal systems or point sources, or any part thereof and to inspect the construction thereof for compliance with the approved plans and specifications thereof;

(g) to prescribe and alter rules, not inconsistent with law, for the conduct of the agency and other matters within the scope of the powers granted to and imposed upon it by this chapter and, with respect to pollution of waters of the state, in chapter 116, provided that every rule affecting any other department or agency of the state or any person other than a member or employee of the agency shall be filed with the secretary of state;

(h) to conduct such investigations, issue such notices, public and otherwise, and hold such hearings as are necessary or which it may deem advisable for the discharge of its duties under this chapter and, with respect to the pollution of waters of the state, under chapter 116, including, but not limited to, the issuance of permits, and to authorize any member, employee, or agent appointed by it to conduct such investigations or, issue such notices and hold such hearings;

(i) for the purpose of water pollution control planning by the state and pursuant to the Federal Water Pollution Control Act, as amended, to establish and revise planning areas, adopt plans and programs and continuing planning processes, including, but not limited to, basin plans and areawide waste treatment management plans, and to provide for the implementation of any such plans by means of, including, but not limited to, standards, plan elements, procedures for revision, intergovernmental cooperation, residual treatment process waste controls, and needs inventory and ranking for construction of disposal systems;

(j) to train water pollution control personnel, and charge such fees therefor as are necessary to cover the agency's costs. The fees under this paragraph are subject to legislative approval under section 16A.1283. All such fees received shall be paid into the state treasury and credited to the Pollution Control Agency training account;

(k) to impose as additional conditions in permits to publicly owned disposal systems appropriate measures to insure compliance by industrial and other users with any pretreatment standard, including, but not limited to, those related to toxic pollutants, and any system of user charges ratably as is hereby required under state law or said Federal Water Pollution Control Act, as amended, or any regulations or guidelines promulgated thereunder;

(l) to set a period not to exceed five years for the duration of any national pollutant discharge elimination system permit or not to exceed ten years for any permit issued as a state disposal system permit only;

(m) to require each governmental subdivision identified as a permittee for a wastewater treatment works to evaluate in every odd-numbered year the condition of its existing system and identify future capital improvements that will be needed to attain or maintain compliance with a national pollutant discharge elimination system or state disposal system permit; and

(n) to train subsurface sewage treatment system personnel, including persons who design, construct, install, inspect, service, and operate subsurface sewage treatment systems, and charge fees as necessary to pay the agency's costs. The fees under this paragraph are subject to legislative approval under section 16A.1283. All fees received must be paid into the state treasury and credited to the agency's training account. Money in the account is appropriated to the agency to pay expenses related to training.

The information required in clause (m) must be submitted in every odd-numbered year to the commissioner on a form provided by the commissioner. The commissioner shall provide technical assistance if requested by the governmental subdivision.

The powers and duties given the agency in this subdivision also apply to permits issued under chapter 114C.

Sec. 57. Minnesota Statutes 2016, section 115.03, subdivision 5, is amended to read:

Subd. 5. **Agency authority; national pollutant discharge elimination system.** (a) Notwithstanding any other provisions prescribed in or pursuant to this chapter and, with respect to the pollution of waters of the state, in chapter 116, or otherwise, the agency shall have the authority to perform any and all acts minimally necessary including, but not limited to, the establishment and application of standards, procedures, rules, orders, variances, stipulation agreements, schedules of compliance, and permit conditions, consistent with and, therefore not less stringent than the provisions of the Federal Water Pollution Control Act, as amended, applicable to the participation by the state of Minnesota in the national pollutant discharge elimination system (NPDES); provided that this provision shall not be construed as a limitation on any powers or duties otherwise residing with the agency pursuant to any provision of law.

(b) An activity that conveys or connects waters of the state without subjecting the transferred water to intervening industrial, municipal, or commercial use does not require a national pollutant discharge elimination system permit. This exemption does not apply to pollutants introduced by the activity itself to the water being transferred.

Sec. 58. Minnesota Statutes 2016, section 115.035, is amended to read:

115.035 EXTERNAL PEER REVIEW OF WATER QUALITY STANDARDS.

~~(a) When the commissioner convenes an external peer review panel during the promulgation or amendment of water quality standards, the commissioner must provide notice and take public comment on the charge questions for the external peer review panel and must allow written and oral public comment as part of the external peer review panel process. Every new or revised numeric water quality standard must be supported by a technical support document that provides the scientific basis for the proposed standard and that has undergone external, scientific peer review. Numeric water quality standards in which the agency is adopting, without change, a United States Environmental Protection Agency criterion that has been through peer review are not subject to this paragraph. Documentation of the external peer review panel, including the name or names of the peer reviewer or reviewers, must be included in the statement of need and reasonableness for the water quality standard. If the commissioner does not convene an external peer review panel during the promulgation or amendment of water quality standards, the commissioner must state the reason an external peer review panel will not be convened in the statement of need and reasonableness.~~

(b) Every technical support document developed by the agency must be released in draft form for public comment before peer review and before finalizing the technical support document.

(c) The commissioner must provide public notice and information about the external peer review through the request for comments published at the beginning of the rulemaking process for the numeric water quality standard, and:

(1) the request for comments must identify the draft technical support document and where the document can be found;

(2) the request for comments must include a proposed charge for the external peer review and request comments on the charge;

(3) all comments received during the public comment period must be made available to the external peer reviewers; and

(4) if the agency is not soliciting external peer review because the agency is adopting a United States Environmental Protection Agency criterion without change, that must be noted in the request for comments.

(d) The purpose of the external peer review is to evaluate whether the technical support document and proposed standard are based on sound scientific knowledge, methods, and practices. The external peer review must be conducted according to the guidance in the most recent edition of the United States Environmental Protection Agency's Peer Review Handbook. Peer reviewers must not have participated in developing the scientific basis of the standard.

(e) The type of review and the number of peer reviewers depends on the nature of the science underlying the standard. When the agency is developing significant new science or science that expands significantly beyond current documented scientific practices or principles, a panel review must be used.

(f) In response to the findings of the external peer review, the draft technical support document must be revised as appropriate. The findings of the external peer review must be documented and attached to the final technical support document, which must be an exhibit as part of the statement of need and reasonableness in the rulemaking to adopt the new or revised numeric water quality standard. The final technical support document must note changes made in response to the external peer review.

~~(b)~~ (g) By December 15 each year, the commissioner shall post on the agency's Web site a report identifying the water quality standards development work in progress or completed in the past year, the lead agency scientist for each development effort, and opportunities for public input.

Sec. 59. **[115.455] EFFLUENT LIMITATIONS; COMPLIANCE.**

To the extent allowable under federal law, for a municipality that constructs a publicly owned treatment works facility or for an industrial national pollutant discharge elimination system and state disposal system permit holder that constructs a treatment works facility to comply with a new or modified effluent limitation, compliance with any new or modified effluent limitation adopted after construction begins that would require additional capital investment is required no sooner than 16 years after the date the facility begins operating.

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

Sec. 60. Minnesota Statutes 2016, section 115.77, subdivision 1, is amended to read:

Subdivision 1. **Fees.** The agency shall collect fees in amounts necessary, but no greater than the amounts necessary, to cover the reasonable costs of reviewing applications and issuing certifications. The fees under this subdivision are subject to legislative approval under section 16A.1283.

Sec. 61. Minnesota Statutes 2016, section 115.84, subdivision 2, is amended to read:

Subd. 2. **Rules.** The agency may adopt rules to govern certification of laboratories according to this section. ~~Notwithstanding section 16A.1283, the agency may adopt rules establishing fees.~~

Sec. 62. Minnesota Statutes 2016, section 115.84, subdivision 3, is amended to read:

Subd. 3. **Fees.** (a) Until the agency adopts a rule establishing fees for certification, the agency shall collect fees from laboratories registering with the agency, but not accredited by the commissioner of health under sections 144.97 to 144.99, in amounts necessary to cover the reasonable costs of the certification program, including reviewing applications, issuing certifications, and conducting audits and compliance assistance. The fees under this paragraph are subject to legislative approval under section 16A.1283.

(b) Fees under this section must be based on the number, type, and complexity of analytical methods that laboratories are certified to perform.

(c) Revenue from fees charged by the agency for certification shall be credited to the environmental fund.

Sec. 63. Minnesota Statutes 2016, section 115A.51, is amended to read:

115A.51 APPLICATION REQUIREMENTS.

(a) Applications for assistance under the program ~~shall~~ must demonstrate:

~~(a)~~ (1) that the project is conceptually and technically feasible;

~~(b)~~ (2) that affected political subdivisions are committed to implement the project, to provide necessary local financing, and to accept and exercise the government powers necessary to the project;

~~(c)~~ (3) that operating revenues from the project, considering the availability and security of sources of solid waste and of markets for recovered resources, together with any proposed federal, state, or local financial assistance, will be sufficient to pay all costs over the projected life of the project;

~~(d)~~ (4) that the applicant has evaluated the feasible and prudent alternatives to disposal, including the use of existing solid waste management facilities with reasonably available capacity sufficient to accomplish the goals of the proposed project and has compared and evaluated the costs of the alternatives, including capital and operating costs, and the effects of the alternatives on the cost to generators;

(5) that the applicant has identified waste management objectives in applicable county and regional solid waste management plans consistent with sections 115A.46, subdivision 2, paragraphs (e) and (f), and 473.149, subdivision 1, and other solid waste facilities identified in the county and regional plans; and

(6) that the applicant has conducted a comparative analysis of the project against existing public and private solid waste facilities, including an analysis of potential displacement of facilities to determine whether the project is the most appropriate alternative to achieve the identified waste management objectives that considers:

(i) conformity with approved county or regional solid waste management plans;

(ii) consistency with the state's solid waste hierarchy and sections 115A.46, subdivision 2, paragraphs (e) and (f), and 473.149, subdivisions 1; and

(iii) environmental standards related to public health, air, surface water, and groundwater.

(b) The commissioner may require completion of a comprehensive solid waste management plan conforming to the requirements of section 115A.46, before accepting an application. Within five days of filing an application with the agency, the applicant must submit a copy of the application to each solid waste management facility mentioned in the portion of the application addressing the requirements of paragraph (a), clauses (5) and (6).

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

Sec. 64. Minnesota Statutes 2016, section 115A.94, subdivision 2, is amended to read:

Subd. 2. **Local authority.** A city or town may organize collection, after public notification and hearing as required in subdivisions 4a to ~~4d~~ 4f. A county may organize collection as provided in subdivision 5. A city or town that has organized collection as of May 1, 2013, is exempt from subdivisions 4a to ~~4d~~ 4f.

EFFECTIVE DATE. This section is effective January 1, 2019, and applies to organized collection noticed under Minnesota Statutes, section 115A.94, subdivision 2, on or after that date.

Sec. 65. Minnesota Statutes 2016, section 115A.94, subdivision 4a, is amended to read:

Subd. 4a. **Committee establishment.** (a) Before implementing an ordinance, franchise, license, contract, or other means of organizing collection, a city or town, by resolution of the governing body, must establish ~~an organized a solid waste~~ collection options committee to identify, examine, and evaluate various methods of ~~organized solid waste~~ collection. The governing body shall appoint the committee members.

(b) The ~~organized solid waste~~ collection options committee is subject to chapter 13D.

EFFECTIVE DATE. This section is effective January 1, 2019, and applies to organized collection noticed under Minnesota Statutes, section 115A.94, subdivision 2, on or after that date.

Sec. 66. Minnesota Statutes 2016, section 115A.94, subdivision 4b, is amended to read:

Subd. 4b. **Committee duties.** The committee established under subdivision 4a shall:

(1) determine which methods of ~~organized solid waste~~ collection to examine, which must include:

(i) the existing system of collection;

~~(ii)~~ (ii) a system in which a single collector collects solid waste from all sections of a city or town; and

~~(iii)~~ (iii) a system in which multiple collectors, either singly or as members of an organization of collectors, collect solid waste from different sections of a city or town;

(2) establish a list of criteria on which the ~~organized solid waste~~ collection methods selected for examination will be evaluated, which may include: costs to residential subscribers, impacts on residential subscribers' ability to choose a provider of solid waste service based on the desired level of service, costs and other factors, the impact of

miles driven ~~by collection vehicles~~ on city streets and alleys and the incremental impact of miles driven by collection vehicles, initial and operating costs to the city of implementing the ~~organized solid waste~~ collection system, providing incentives for waste reduction, impacts on solid waste collectors, and other physical, economic, fiscal, social, environmental, and aesthetic impacts;

(3) collect information regarding the operation and efficacy of existing methods of ~~organized solid waste~~ collection in other cities and towns;

(4) seek input from, at a minimum:

(i) the governing body of the city or town;

(ii) the local official of the city or town responsible for solid waste issues;

(iii) persons currently licensed to operate solid waste collection and recycling services in the city or town; and

(iv) residents of the city or town who currently pay for residential solid waste collection services; and

(5) issue a report on the committee's research, findings, and any recommendations to the governing body of the city or town.

EFFECTIVE DATE. This section is effective January 1, 2019, and applies to organized collection noticed under Minnesota Statutes, section 115A.94, subdivision 2, on or after that date.

Sec. 67. Minnesota Statutes 2016, section 115A.94, subdivision 4c, is amended to read:

Subd. 4c. **Governing body; implementation.** The governing body of the city or town shall consider the report and recommendations of the ~~organized solid waste~~ collection options committee. The governing body must provide public notice and hold at least one public hearing before deciding whether to implement organized collection. Organized collection may begin no sooner than six months after the effective date of the decision of the governing body of the city or town to implement organized collection.

EFFECTIVE DATE. This section is effective January 1, 2019, and applies to organized collection noticed under Minnesota Statutes, section 115A.94, subdivision 2, on or after that date.

Sec. 68. Minnesota Statutes 2016, section 115A.94, subdivision 4d, is amended to read:

Subd. 4d. **Participating collectors proposal requirement.** ~~Prior to~~ Before establishing a committee under subdivision 4a to consider organizing residential solid waste collection, a city or town with more than one licensed collector must notify the public and all licensed collectors in the community. The city or town must provide a ~~60-day~~ period of at least 60 days in which meetings and negotiations shall occur exclusively between licensed collectors and the city or town to develop a proposal in which interested licensed collectors, as members of an organization of collectors, collect solid waste from designated sections of the city or town. The proposal shall include identified city or town priorities, including issues related to zone creation, traffic, safety, environmental performance, service provided, and price, and shall reflect existing haulers maintaining their respective market share of business as determined by each hauler's average customer count during the six months prior to the commencement of the ~~60-day~~ exclusive negotiation period. If an existing hauler opts to be excluded from the proposal, the city may allocate their customers proportionally based on market share to the participating collectors

who choose to negotiate. The initial organized collection agreement executed under this subdivision must be for a ~~period of three to~~ seven years. Upon execution of an agreement between the participating licensed collectors and city or town, the city or town shall establish organized collection through appropriate local controls and is not required to fulfill the requirements of subdivisions 4a, 4b, and 4c, except that the governing body must provide the public notification and hearing required under subdivision 4c.

EFFECTIVE DATE. This section is effective January 1, 2019, and applies to organized collection noticed under Minnesota Statutes, section 115A.94, subdivision 2, on or after that date.

Sec. 69. Minnesota Statutes 2016, section 115A.94, is amended by adding a subdivision to read:

Subd. 4e. **Parties to meet and confer.** Before the exclusive meetings and negotiations under subdivision 4d, participating licensed collectors and elected officials of the city or town must meet and confer regarding waste collection issues, including but not limited to road deterioration, public safety, pricing mechanisms, and contractual considerations unique to organized collection.

EFFECTIVE DATE. This section is effective January 1, 2019, and applies to organized collection noticed under Minnesota Statutes, section 115A.94, subdivision 2, on or after that date.

Sec. 70. Minnesota Statutes 2016, section 115A.94, is amended by adding a subdivision to read:

Subd. 4f. **Joint liability limited.** Notwithstanding section 604.02, an organized collection agreement must not obligate a participating licensed collector for damages to third parties solely caused by another participating licensed collector. The organized collection agreement may include joint obligations for actions that are undertaken by all the participating licensed collectors under this section.

EFFECTIVE DATE. This section is effective January 1, 2019, and applies to organized collection noticed under Minnesota Statutes, section 115A.94, subdivision 2, on or after that date.

Sec. 71. Minnesota Statutes 2016, section 115A.94, subdivision 5, is amended to read:

Subd. 5. **County organized collection.** (a) A county may by ordinance require cities and towns within the county to organize collection. Organized collection ordinances of counties may:

- (1) require cities and towns to require the separation and separate collection of recyclable materials;
- (2) specify the material to be separated; and
- (3) require cities and towns to meet any performance standards for source separation that are contained in the county solid waste plan.

(b) A county may itself organize collection under subdivisions 4a to ~~4d~~ 4f in any city or town that does not comply with a county organized collection ordinance adopted under this subdivision, and the county may implement, as part of its organized collection, the source separation program and performance standards required by its organized collection ordinance.

EFFECTIVE DATE. This section is effective January 1, 2019, and applies to organized collection noticed under Minnesota Statutes, section 115A.94, subdivision 2, on or after that date.

Sec. 72. **[115B.171] TESTING FOR PRIVATE WELLS; EAST METROPOLITAN AREA.**

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

(b) "East metropolitan area" means:

(1) the cities of Afton, Cottage Grove, Lake Elmo, Newport, Oakdale, St. Paul Park, and Woodbury;

(2) the townships of Denmark, Grey Cloud Island, and Lakeland; and

(3) other areas added by the commissioner that have a potential for significant groundwater pollution from PFCs.

(c) "PFCs" means per- and poly-fluorinated chemicals.

Subd. 2. **Testing required for private wells.** At the request of the owner or occupier of land in the east metropolitan area containing a private well for water, the commissioner must use money in the remediation fund under section 116.155 to provide timely testing for PFCs for the well if the commissioner has not previously tested the well for PFCs. If the test of the private well measures a contamination at or above 50 percent of a health-based advisory value or health risk limit for PFCs, the commissioner must provide for additional well tests based on a schedule to ensure that the groundwater is safe for consumption.

Subd. 3. **Test reporting.** (a) By January 15 each year, the commissioner must report to each community in the east metropolitan area a summary of the results of the testing for private wells in the community. The report must include information on the number of wells tested and trends of PFC contamination in private wells in the community. Reports to communities under this section must also be published on the agency's Web site.

(b) By January 15 each year, the commissioner must report to the legislature, as provided in section 3.195, on the testing for private wells conducted in the east metropolitan area, including copies of the community reports required in paragraph (a), the number of requests for well testing in each community, and the total amount spent for testing private wells in each community.

Sec. 73. **[115B.172] NATURAL RESOURCES DAMAGES ACCOUNT.**

Subdivision 1. **Establishment.** The natural resources damages account is established as an account in the remediation fund.

Subd. 2. **Revenues.** The account consists of money from the following sources:

(1) revenues from actions taken by the attorney general on behalf of the commissioner of natural resources, including settlement agreements, under section 115B.17, subdivisions 6 and 7, excluding money received under the settlement defined under section 115B.52, subdivision 1;

(2) appropriations and transfers to the account as provided by law;

(3) interest earned on the account; and

(4) money received by the agency or the commissioner of natural resources for deposit in the account in the form of a gift or a grant.

Subd. 3. **Expenditures.** (a) Money in the account is appropriated to the commissioner of natural resources for the purposes authorized in section 115B.20, subdivision 2, clause (8).

(b) The commissioner of management and budget must allocate the amounts available in any biennium to the commissioner of natural resources for the purposes of this section based upon work plans submitted by the commissioner of natural resources and may adjust those allocations upon submittal of revised work plans. Copies of the work plans must be submitted to the chairs of the house of representatives and senate committees and divisions having jurisdiction over environment and natural resources finance.

Subd. 4. **Report.** By November 1 each year, the commissioner of natural resources must submit a report to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over the environment and natural resources policy and finance on expenditures from the natural resources damages account during the previous fiscal year.

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

Sec. 74. Minnesota Statutes 2016, section 115B.20, subdivision 2, is amended to read:

Subd. 2. **Purposes for which money may be spent.** Money appropriated from the remediation fund under section 116.155, subdivision 2, paragraph (a), clause (1), may be spent only for the following purposes:

(1) preparation by the agency and the commissioner of agriculture for taking removal or remedial action under section 115B.17, or under chapter 18D, including investigation, monitoring and testing activities, enforcement and compliance efforts relating to the release of hazardous substances, pollutants or contaminants under section 115B.17 or 115B.18, or chapter 18D;

(2) removal and remedial actions taken or authorized by the agency or the commissioner of the Pollution Control Agency under section 115B.17, or taken or authorized by the commissioner of agriculture under chapter 18D including related enforcement and compliance efforts under section 115B.17 or 115B.18, or chapter 18D, and payment of the state share of the cost of remedial action which may be carried out under a cooperative agreement with the federal government pursuant to the federal Superfund Act, under United States Code, title 42, section 9604(c)(3) for actions related to facilities other than commercial hazardous waste facilities located under the siting authority of chapter 115A;

(3) reimbursement to any private person for expenditures made before July 1, 1983, to provide alternative water supplies deemed necessary by the agency or the commissioner of agriculture and the Department of Health to protect the public health from contamination resulting from the release of a hazardous substance;

(4) assessment and recovery of natural resource damages by the agency ~~and the commissioner of natural resources~~ for administration, planning, and implementation by the commissioner of natural resources of the rehabilitation, restoration, or acquisition of natural resources to remedy injuries or losses to natural resources resulting from the release of a hazardous substance; before implementing a project to rehabilitate, restore, or acquire natural resources under this clause, the commissioner of natural resources shall provide written notice of the proposed project to the chairs of the senate and house of representatives committees with jurisdiction over environment and natural resources finance;

(5) acquisition of a property interest under section 115B.17, subdivision 15;

(6) reimbursement, in an amount to be determined by the agency in each case, to a political subdivision that is not a responsible person under section 115B.03, for reasonable and necessary expenditures resulting from an emergency caused by a release or threatened release of a hazardous substance, pollutant, or contaminant; ~~and~~

(7) reimbursement to a political subdivision for expenditures in excess of the liability limit under section 115B.04, subdivision 4; ~~and~~

(8) assessment and recovery of natural resource damages by the commissioner of natural resources for administration, planning, and implementation by the commissioner of natural resources of the rehabilitation, restoration, or acquisition of natural resources to remedy injuries or losses to natural resources resulting from the release of a hazardous substance. Before implementing a project to rehabilitate, restore, or acquire natural resources under this clause, the commissioner of natural resources must provide written notice of the proposed project to the chairs of the senate and house of representatives committees with jurisdiction over environment and natural resources finance.

Sec. 75. **[115B.52] WATER QUALITY AND SUSTAINABILITY ACCOUNT.**

Subdivision 1. **Definition.** For purposes of this section and section 115B.53, the term "settlement" means the agreement and order entered on February 20, 2018, settling litigation commenced by the state against the 3M Company under section 115B.17, subdivision 7.

Subd. 2. **Establishment.** The water quality and sustainability account is established as an account in the remediation fund. The account consists of revenue deposited in the account under the terms of the settlement and earnings on the investment of money in the account.

Subd. 3. **Expenditures.** Money in the account is appropriated to the commissioner of the Pollution Control Agency and to the commissioner of natural resources for the purposes authorized under the settlement.

Subd. 4. **Reporting.** The commissioner of the Pollution Control Agency and the commissioner of natural resources must jointly submit:

(1) by March 1 and November 1 each year, a biannual report to the chairs and ranking minority members of the legislative policy and finance committees with jurisdiction over environment and natural resources on expenditures from the water quality and sustainability account during the previous six months; and

(2) by November 1 each year, a report to the legislature on expenditures from the water quality and sustainability account during the previous fiscal year and a spending plan for anticipated expenditures from the account during the current fiscal year.

Sec. 76. **[115B.53] WATER QUALITY AND SUSTAINABILITY STAKEHOLDERS.**

The commissioner of the Pollution Control Agency and the commissioner of natural resources must work with stakeholders to identify and recommend projects to receive funding from the water quality and sustainability account under the settlement. Stakeholders include, at a minimum, representatives of the agency, the Department of Natural Resources, east metropolitan area municipalities, and the 3M Company.

Sec. 77. Minnesota Statutes 2016, section 116.07, is amended by adding a subdivision to read:

Subd. 2c. **Exemption from standards for temporary storage facilities subject to control.** (a) A temporary storage facility located at a commodity facility that is required to be controlled under Minnesota Rules, part 7011.1005, subpart 3, is not subject to Minnesota Rules, parts 7011.1000 to 7011.1015. For all portable equipment and fugitive dust emissions directly associated with the temporary storage facility, it is determined that there is no applicable specific standard of performance.

(b) For the purposes of this subdivision, the following terms have the meanings given them:

(1) "temporary storage facility" means a facility storing grain that:

(i) uses an asphalt, concrete, or comparable base material;

(ii) has rigid, self-supporting sidewalls;

(iii) provides adequate aeration; and

(iv) provides an acceptable covering; and

(2) "portable equipment" means equipment that is not fixed at any one spot and can be moved, including but not limited to portable receiving pits, portable augers and conveyors, and portable reclaim equipment directly associated with the temporary storage facility.

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

Sec. 78. Minnesota Statutes 2017 Supplement, section 116.07, subdivision 4d, is amended to read:

Subd. 4d. **Permit fees.** (a) The agency may collect permit fees in amounts not greater than those necessary to cover the reasonable costs of developing, reviewing, and acting upon applications for agency permits and implementing and enforcing the conditions of the permits pursuant to agency rules. Permit fees shall not include the costs of litigation. The fee schedule must reflect reasonable and routine direct and indirect costs associated with permitting, implementation, and enforcement. The agency may impose an additional enforcement fee to be collected for a period of up to two years to cover the reasonable costs of implementing and enforcing the conditions of a permit under the rules of the agency. Water fees under this paragraph are subject to legislative approval under section 16A.1283. Any money collected under this paragraph shall be deposited in the environmental fund.

(b) Notwithstanding paragraph (a), the agency shall collect an annual fee from the owner or operator of all stationary sources, emission facilities, emissions units, air contaminant treatment facilities, treatment facilities, potential air contaminant storage facilities, or storage facilities subject to a notification, permit, or license requirement under this chapter, subchapters I and V of the federal Clean Air Act, United States Code, title 42, section 7401 et seq., or rules adopted thereunder. The annual fee shall be used to pay for all direct and indirect reasonable costs, including legal costs, required to develop and administer the notification, permit, or license program requirements of this chapter, subchapters I and V of the federal Clean Air Act, United States Code, title 42, section 7401 et seq., or rules adopted thereunder. Those costs include the reasonable costs of reviewing and acting upon an application for a permit; implementing and enforcing statutes, rules, and the terms and conditions of a permit; emissions, ambient, and deposition monitoring; preparing generally applicable regulations; responding to federal guidance; modeling, analyses, and demonstrations; preparing inventories and tracking emissions; and providing information to the public about these activities.

(c) The agency shall set fees that:

(1) will result in the collection, in the aggregate, from the sources listed in paragraph (b), of an amount not less than \$25 per ton of each volatile organic compound; pollutant regulated under United States Code, title 42, section 7411 or 7412 (section 111 or 112 of the federal Clean Air Act); and each pollutant, except carbon monoxide, for which a national primary ambient air quality standard has been promulgated;

(2) may result in the collection, in the aggregate, from the sources listed in paragraph (b), of an amount not less than \$25 per ton of each pollutant not listed in clause (1) that is regulated under this chapter or air quality rules adopted under this chapter; and

(3) shall collect, in the aggregate, from the sources listed in paragraph (b), the amount needed to match grant funds received by the state under United States Code, title 42, section 7405 (section 105 of the federal Clean Air Act).

The agency must not include in the calculation of the aggregate amount to be collected under clauses (1) and (2) any amount in excess of 4,000 tons per year of each air pollutant from a source. The increase in air permit fees to match federal grant funds shall be a surcharge on existing fees. The commissioner may not collect the surcharge after the grant funds become unavailable. In addition, the commissioner shall use nonfee funds to the extent practical to match the grant funds so that the fee surcharge is minimized.

(d) To cover the reasonable costs described in paragraph (b), the agency shall provide in the rules promulgated under paragraph (c) for an increase in the fee collected in each year by the percentage, if any, by which the Consumer Price Index for the most recent calendar year ending before the beginning of the year the fee is collected exceeds the Consumer Price Index for the calendar year 1989. For purposes of this paragraph the Consumer Price Index for any calendar year is the average of the Consumer Price Index for all-urban consumers published by the United States Department of Labor, as of the close of the 12-month period ending on August 31 of each calendar year. The revision of the Consumer Price Index that is most consistent with the Consumer Price Index for calendar year 1989 shall be used.

(e) Any money collected under paragraphs (b) to (d) must be deposited in the environmental fund and must be used solely for the activities listed in paragraph (b).

(f) Permit applicants who wish to construct, reconstruct, or modify a project may offer to reimburse the agency for the costs of staff time or consultant services needed to expedite the preapplication process and permit development process through the final decision on the permit, including the analysis of environmental review documents. The reimbursement shall be in addition to permit application fees imposed by law. When the agency determines that it needs additional resources to develop the permit application in an expedited manner, and that expediting the development is consistent with permitting program priorities, the agency may accept the reimbursement. The commissioner must give the applicant an estimate of costs to be incurred by the commissioner. The estimate must include a brief description of the tasks to be performed, a schedule for completing the tasks, and the estimated cost for each task. The applicant and the commissioner must enter into a written agreement detailing the estimated costs for the expedited permit decision-making process to be incurred by the agency. The agreement must also identify staff anticipated to be assigned to the project. The commissioner must not issue a permit until the applicant has paid all fees in full. The commissioner must refund any unobligated balance of fees paid. Reimbursements accepted by the agency are appropriated to the agency for the purpose of developing the permit or analyzing environmental review documents. Reimbursement by a permit applicant shall precede and not be contingent upon issuance of a permit; shall not affect the agency's decision on whether to issue or deny a permit, what conditions are included in a permit, or the application of state and federal statutes and rules governing permit determinations; and shall not affect final decisions regarding environmental review.

(g) The fees under this subdivision are exempt from section 16A.1285.

Sec. 79. Minnesota Statutes 2017 Supplement, section 116.0714, is amended to read:

116.0714 NEW OPEN-AIR SWINE BASINS.

(a) The commissioner of the Pollution Control Agency or a county board shall not approve any permits for the construction of new open-air swine basins, except that existing facilities may use one basin of less than 1,000,000 gallons as part of a permitted waste treatment program for resolving pollution problems or to allow conversion of an existing basin of less than 1,000,000 gallons to a different animal type, provided all standards are met. This section expires June 30, 2022.

(b) This section does not apply to a storage basin for effluent basins used solely for wastewater from a truck-washing facility.

Sec. 80. Minnesota Statutes 2016, section 116.155, subdivision 1, is amended to read:

Subdivision 1. **Creation.** The remediation fund is created as a special revenue fund in the state treasury to provide a reliable source of public money for response and corrective actions to address releases of hazardous substances, pollutants or contaminants, agricultural chemicals, and petroleum, and for environmental response actions at qualified landfill facilities for which the agency has assumed such responsibility, including perpetual care of such facilities. The specific purposes for which the general portion of the fund may be spent are provided in subdivision 2. In addition to the general portion of the fund, the fund contains ~~two~~ four accounts described in subdivisions 4 ~~and 5~~ to 5b.

Sec. 81. Minnesota Statutes 2016, section 116.155, is amended by adding a subdivision to read:

Subd. 5a. **Water quality and sustainability account.** The water quality and sustainability account is as described in section 115B.52.

Sec. 82. Minnesota Statutes 2016, section 116.155, is amended by adding a subdivision to read:

Subd. 5b. **Natural resources damages account.** The natural resources damages account is as described in section 115B.172.

Sec. 83. **[116.2025] DEICER APPLICATORS; VOLUNTARY CERTIFICATION PROGRAM.**

Subdivision 1. **Definitions.** For the purpose of this section, the following terms have the meanings given:

(1) "certified commercial applicator" means an individual who applies deicer and has completed training approved by the commissioner on removing snow and ice and applying deicer and passed an examination after completing the training;

(2) "commercial applicator" means an individual or a company and its employees that apply deicer for hire, but does not include a municipal, state, or other government employee;

(3) "deicer" means any substance used to melt snow and ice, or used for its anti-icing effects, on privately owned surfaces traveled by pedestrians and vehicles; and

(4) "owner" means a person that owns, leases, or manages real estate and the person's employees that contract in writing with a certified commercial applicator.

Subd. 2. **Voluntary certification program; best management practices.** (a) The commissioner of the Pollution Control Agency must develop a training program that promotes best management practices for removing snow and ice and applying deicer and must allow individuals who are commercial applicators to obtain certification as a water-friendly applicator. The commissioner must certify an individual who is a commercial applicator as a water-friendly applicator if the individual successfully completes the program and passes the examination.

(b) The commissioner must provide additional training under this subdivision for certified commercial applicators renewing certification after their initial training and certification.

(c) The commissioner must provide the training and testing module at locations statewide and may make the recertification training available online.

(d) The commissioner must annually post the best management practices and a list of certified commercial applicators on the agency's Web site.

(e) The commissioner may charge a fee of no more than \$250 per certified commercial applicator for the training or recertification under this subdivision. Fees collected under this subdivision must be deposited in the environmental fund.

Subd. 3. Liability. (a) A commercial applicator certified under this section; the owner, occupant, or lessee of real property maintained by a certified commercial applicator; or an employee of that owner, occupant, or lessee who is certified under this section is not civilly liable for any claim based on a snow or ice condition arising out of the implementation of the best management practices developed by the commissioner under this section even if there is actual notice of the snow or ice condition, except when the snow or ice condition is affirmatively caused by the willful or reckless acts of the certified commercial applicator or the employee of the owner, occupant, or lessee who is certified under this section. Commercial applicators certified under this section; the owner, occupants, or lessees of land maintained by a certified commercial applicator; and an employee of that owner, occupant, or lessee who is certified under this section are presumed to be acting pursuant to the best management practices developed by the commissioner under this section.

(b) To receive the immunity protection under paragraph (a), and not for any other purpose, the commercial applicator, or the employee of the owner, occupant, or lessee, must have a current certification, pass an exam, complete the winter maintenance assessment tool requirements developed by the commissioner, and keep a written record describing the road, parking lot, and property maintenance practices used. The written record must include the type and rate of application of deicing materials used, the dates of treatment, and the weather conditions for each event requiring deicing. The records must be kept for a minimum of six years.

(c) The liability of a commercial applicator who applies deicer but is not certified under this section may not be determined under the standards provided in this subdivision.

Subd. 4. Record keeping. (a) A certified commercial applicator or a company employing one or more certified commercial applicators must maintain the following records as part of the best management practices approved by the commissioner:

- (1) a copy of the applicator's certification approved by the commissioner and any recertification;
- (2) evidence of passing the examination approved by the commissioner;
- (3) copies of the assessment tool requirements for winter maintenance developed by the commissioner; and
- (4) a written record describing the practices used for road, parking lot, and property maintenance.

(b) The written record under paragraph (a), clause (4), must include the type and rate of application of deicing materials used, the dates of treatment, and the weather conditions for each event requiring deicing.

(c) Records required under this subdivision must be kept for at least six years.

Subd. 5. Penalty. The commissioner may revoke or decline to renew the certification of a certified commercial applicator that violates this section or rules adopted under this section.

Subd. 6. Relation to other law. Nothing in this section affects municipal liability under section 466.03.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to claims arising on or after that date.

Sec. 84. Minnesota Statutes 2016, section 116.993, subdivision 2, is amended to read:

Subd. 2. **Eligible borrower.** To be eligible for a loan under this section, a borrower must:

- (1) be a small business corporation, sole proprietorship, partnership, or association;
- (2) be a potential emitter of pollutants to the air, ground, or water;
- (3) need capital for equipment purchases that will meet or exceed environmental regulations or need capital for site investigation and cleanup;
- (4) have ~~less~~ fewer than ~~50~~ 100 full-time equivalent employees; and
- (5) have an ~~after-tax~~ after-tax profit of less than \$500,000; ~~and,~~
- ~~(6) have a net worth of less than \$1,000,000.~~

Sec. 85. Minnesota Statutes 2016, section 116.993, subdivision 6, is amended to read:

Subd. 6. **Loan conditions.** A loan made under this section must include:

- (1) an interest rate that is ~~four percent or~~ at or below one-half the prime rate, ~~whichever is greater~~ not to exceed five percent;
- (2) a term of payment of not more than seven years; and
- (3) an amount not less than \$1,000 or exceeding ~~\$50,000~~ \$75,000.

Sec. 86. Minnesota Statutes 2017 Supplement, section 169A.07, is amended to read:

169A.07 FIRST-TIME DWI VIOLATOR; OFF-ROAD VEHICLE OR BOAT.

A person who violates section 169A.20 (driving while impaired) while using an off-road recreational vehicle or motorboat and who does not have a qualified prior impaired driving incident is subject only to the criminal penalty provided in section 169A.25 (second-degree driving while impaired), 169A.26 (third-degree driving while impaired), or 169A.27 (fourth-degree driving while impaired); and loss of operating privileges as provided in section 84.91, subdivision 1 (operation of snowmobiles or all-terrain vehicles by persons under the influence of alcohol or controlled substances), or 86B.331, subdivision 1 (operation of motorboats while using alcohol or with a physical or mental disability), whichever is applicable. The person is not subject to the provisions of section 169A.275, subdivision 5 (submission to the level of care recommended in chemical use assessment for repeat offenders and offenders with alcohol concentration of 0.16 or more); 169A.277 (long-term monitoring); 169A.285 (penalty assessment); 169A.44 (conditional release); ~~169A.54 (impaired driving convictions and adjudications; administrative penalties); or 169A.54, subdivision 11 (chemical use assessment); the license revocation sanctions of sections 169A.50 to 169A.53 (implied consent law) or 171.177 (revocation; search warrant); or the plate impoundment provisions of section 169A.60 (administrative impoundment of plates).~~

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to violations committed on or after that date.

Sec. 87. Minnesota Statutes 2016, section 180.03, subdivision 2, is amended to read:

Subd. 2. **Fences.** Every person, firm, or corporation that is or has been engaged in the business of mining or removing iron ore, taconite, semitaconite or other minerals except sand, crushed rock, and gravel shall erect and maintain, as a minimum, a three strand wire fence along the outside perimeter of the excavation, open pit, or shaft of any mine in which mining operations have ceased for a period of six consecutive months or longer. Based upon local site conditions that may exist at shafts, caves, or open pits, the county mine inspector may require more secure fencing such as barbed wire or mesh fence, or may require barriers, appropriate signs, or any combination of the above, to reduce the possibility of accidental falls. The county mine inspector may grant exemptions under subdivision 4. Where mining operations have ceased and not resumed, the fence, barrier, signs, or combination of them required by this section shall be erected within two years from the date when the county mine inspector directs the erection of fences, barriers, signs, or combination of them.

Sec. 88. Minnesota Statutes 2016, section 180.03, subdivision 3, is amended to read:

Subd. 3. **Abandoned mines.** Except as described in subdivision 4, when a mine is idle or abandoned it is the duty of the inspector of mines to notify the person, firm, or corporation that is or has been engaged in the business of mining to erect and maintain around all the shafts, caves, and open pits of such mines a fence, barrier, appropriate signs, or combination of them, suitable to warn of the presence of shafts, caves, or open pits and reduce the possibility of accidentally falling into these shafts, caves, or open pits. If the mine has been idled or abandoned, or if the person, firm, or corporation that has been engaged in the business of mining no longer exists, the fee owner shall erect and maintain the fence, barrier, or signs required by this section. If the fee owner fails to act, the county in which the mining operation is located may, in addition to any other remedies available, abate the nuisance by erecting or maintaining the fence, barrier, or signs and assessing the costs and related expenses pursuant to section 429.101.

Sec. 89. Minnesota Statutes 2016, section 180.03, subdivision 4, is amended to read:

Subd. 4. **Exemptions.** (a) The portion of an excavation, cave, open or water-filled pit, or shaft is exempt from the requirements of this section if:

(1) it is located on property owned, leased, or administered by the Office of the Commissioner of Iron Range Resources and Rehabilitation;

(2) it is for the construction, operation, maintenance, or administration of:

(i) grants-in-aid trails as defined in section 85.018;

(ii) property owned or leased by a municipality, as defined in section 466.01, subdivision 1, that is intended or permitted to be used as a park, an open area for recreational purposes, or for the provision of recreational services, including the creation of trails or paths without artificial surfaces; or

(iii) recreational use, as defined in section 604A.21, subdivisions 5 and 6, provided the use is administered by a municipality, as defined in section 466.01, subdivision 1;

(3) it is for economic development purposes under chapter 469; or

(4) upon written application by the property owner, the county mine inspector ~~may exempt from the requirements of subdivision 2, any abandoned excavation, open pit, or shaft which determines that it~~ is provided with fencing, barriers, appropriate signs, or combinations of them, in a manner that is reasonably similar to the standards in subdivision 2, or ~~which if, in the inspector's judgment, it~~ does not constitute a safety hazard.

(b) Where an exemption applies, there shall be, at a minimum, appropriate signs posted by the recipient of the exemption consistent with section 97B.001, subdivision 4:

(1) at each location of public access to the mining area restricting access to designated areas and warning of possible dangers due to the presence of excavations, shafts, caves, or open or water-filled pits;

(2) prohibiting public access beyond the boundaries of the designated public access area; and

(3) identifying those areas where the property on which public access is allowed abuts private property.

(c) Where an exemption applies, to reduce the possibility of inadvertent access beyond the boundaries of the designated public access area, any new fencing erected by the recipient of the exemption in accordance with subdivision 2 or 3 shall be maintained by the recipient of the exemption.

(d) Notwithstanding section 180.10, limited openings in preexisting fencing may be created and maintained by the recipient of the exemption or its agent to provide public access to the designated public access area.

(e) The county mine inspector has the authority to enter, examine, and inspect any and all property exempted under this section at all reasonable times by day or by night, and, in addition to enforcing the provisions of this chapter, may make recommendations regarding the erection of fences, barriers, signs, or a combination of them.

Sec. 90. Minnesota Statutes 2016, section 180.10, is amended to read:

180.10 REMOVAL OF FENCE; GUARD.

A worker, employee, or other person who opens, removes, or disturbs any fence, guard, barrier, sign, or rail required by section 180.03 and fails to close or replace or have the same closed or replaced again around or in front of any mine shaft, pit, chute, excavation, cave, or land liable to cave, injure, or destroy, whether by accident, injury, or damage results, either to the mine or those at work therein, or to any other person, shall be guilty of a misdemeanor. A worker, employee, or other person who, in regard to any fence, guard, barrier, sign, or rail, does any of the acts prohibited by section 609.52, commits theft of the fence, guard, barrier, sign, or rail may be sentenced as provided in section 609.52.

Sec. 91. **[383A.606] DISCONTINUANCE OF RAMSEY SOIL AND WATER CONSERVATION DISTRICT; TRANSFER OF DUTIES.**

Subdivision 1. **Discontinuance.** Notwithstanding section 103C.225, the Ramsey Soil and Water Conservation District is discontinued effective July 1, 2018, and its duties and authorities are transferred to the Ramsey County Board of Commissioners.

Subd. 2. **Transfer of duties and authorities.** The Ramsey County Board of Commissioners has the duties and authorities of a soil and water conservation district. All contracts in effect on the date of the discontinuance of the district to which Ramsey Soil and Water Conservation District is a party remain in force and effect for the period provided in the contracts. The Ramsey County Board of Commissioners shall be substituted for the Ramsey Soil and Water Conservation District as party to the contracts and succeed to the district's rights and duties.

Subd. 3. **Transfer of assets.** The Ramsey Soil and Water Conservation District Board of Supervisors shall transfer the assets of the district to the Ramsey County Board of Commissioners. The Ramsey County Board of Commissioners shall use the transferred assets for the purposes of implementing the transferred duties and authorities.

Subd. 4. **Reestablishment.** The Ramsey County Board of Commissioners may petition the Minnesota Board of Water and Soil Resources to reestablish the Ramsey Soil and Water Conservation District. Alternatively, the Minnesota Board of Water and Soil Resources under its authority in section 103C.201, and after giving notice of corrective actions and time to implement the corrective actions, may reestablish the Ramsey Soil and Water Conservation District if it determines the goals established in section 103C.005 are not being achieved. The Minnesota Board of Water and Soil Resources may reestablish the Ramsey Soil and Water Conservation District under this subdivision without a referendum.

EFFECTIVE DATE. This section is effective the day after the governing body of Ramsey County and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 92. Minnesota Statutes 2016, section 444.075, subdivision 1a, is amended to read:

Subd. 1a. **Authorization.** Any municipality may build, construct, reconstruct, repair, enlarge, improve, or in any other manner obtain facilities, and maintain and operate the facilities inside or outside its corporate limits, and acquire by gift, purchase, lease, condemnation, or otherwise any and all land and easements required for that purpose. The authority hereby granted is in addition to all other powers with reference to the facilities otherwise granted by the laws of this state or by the charter of any municipality. The authority regarding storm sewers granted to municipalities which have territory within a watershed which has adopted a watershed plan pursuant to section 103B.231 shall be exercised, with respect to facilities acquired following the adoption of the watershed plan, only for facilities which are not inconsistent with the watershed plan. The authority regarding storm sewers granted to municipalities which have adopted local water management plans pursuant to section 103B.235 shall be exercised, with respect to facilities acquired following the adoption of a local plan, only for facilities which are not inconsistent with the local plan. ~~Counties, except counties in the seven county metropolitan area,~~ shall have the same authority granted to municipalities by this subdivision except for areas of the county organized into cities and areas of the county incorporated within a sanitary district established by special act of the legislature.

Sec. 93. Minnesota Statutes 2016, section 473.8441, subdivision 4, is amended to read:

Subd. 4. **Grant conditions.** The commissioner shall administer grants so that the following conditions are met:

(a) A county must apply for a grant in the manner determined by the commissioner. The application must describe the activities for which the grant will be used.

(b) The activities funded must be consistent with the metropolitan policy plan and the county master plan.

(c) A grant must be matched by equal ~~county~~ local expenditures for the activities for which the grant is made. A local expenditure may include, but is not limited to, an expenditure by a local unit of government, tribal government, or private sector or nonprofit organization.

(d) All grant funds must be used for new activities or to enhance or increase the effectiveness of existing activities in the county. Grant funds must not be used for research or development of a product that would be patented, copyrighted, or a subject of trade secrets.

(e) Counties shall provide support to maintain effective municipal recycling where it is already established.

Sec. 94. Laws 2015, First Special Session chapter 4, article 4, section 136, as amended by Laws 2017, chapter 93, article 2, section 149, is amended to read:

Sec. 136. WILD RICE WATER QUALITY STANDARDS.

(a) Until the commissioner of the Pollution Control Agency amends rules refining the wild rice water quality standard in Minnesota Rules, part 7050.0224, subpart 2, to consider all independent research and publicly funded research and to include criteria for identifying waters and a list of waters subject to the standard, implementation of the wild rice water quality standard in Minnesota Rules, part 7050.0224, subpart 2, shall be limited to the following, unless the permittee requests additional conditions:

(1) when issuing, modifying, or renewing national pollutant discharge elimination system (NPDES) or state disposal system (SDS) permits, the agency shall endeavor to protect wild rice, and in doing so shall be limited by the following conditions:

(i) the agency shall not require permittees to expend money for design or implementation of sulfate treatment technologies or other forms of sulfate mitigation; and

(ii) the agency may require sulfate minimization plans in permits; and

(2) the agency shall not list waters containing natural beds of wild rice as impaired for sulfate under section 303(d) of the federal Clean Water Act, United States Code, title 33, section 1313, until the rulemaking described in this paragraph takes effect.

(b) Upon the rule described in paragraph (a) taking effect, the agency may reopen permits issued or reissued after the effective date of this section as needed to include numeric permit limits based on the wild rice water quality standard.

~~(c) The commissioner shall complete the rulemaking described in paragraph (a) by January 15, 2019.~~

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

Sec. 95. Laws 2016, chapter 189, article 3, section 48, is amended to read:

Sec. 48. LAKE SERVICE PROVIDER FEASIBILITY REPORT.

The commissioner of natural resources shall report to the chairs of the house of representatives and senate committees with jurisdiction over natural resources by January 15, ~~2019~~ 2020, regarding the feasibility of expanding permitting to service providers as described in Minnesota Statutes, section 84D.108, subdivision 2a, to other water bodies in the state. The report must:

(1) include recommendations for state and local resources needed to implement the program;

(2) assess local government inspection roles under Minnesota Statutes, section 84D.105, subdivision 2, paragraph (g); and

(3) assess whether mechanisms to ensure that water-related equipment placed back into the same body of water from which it was removed can adequately protect other water bodies.

Sec. 96. Laws 2017, chapter 93, article 2, section 155, subdivision 5, is amended to read:

Subd. 5. **Sunset.** This section expires ~~two~~ six years from the day following final enactment.

Sec. 97. Laws 2017, chapter 93, article 2, section 163, is amended to read:

Sec. 163. **ACTION TO OBTAIN ACCESS PROHIBITED; CLEARWATER COUNTY.**

~~Before July 1, 2018,~~ The commissioner of natural resources must not initiate a civil action to obtain access to Island Lake FMHA Wildlife Management Area in Clearwater County.

Sec. 98. **APPLICATION OF STORM WATER RULES TO TOWNSHIPS.**

Until the Pollution Control Agency amends rules for storm water, Minnesota Rules, part 7090.1010, subpart 1, item B, subitem (1), only applies to the portions of the city or township that are designated as urbanized under Code of Federal Regulations, title 40, section 122.26 (a)(9)(i)(A), and other platted areas within that jurisdiction.

Sec. 99. **RULEMAKING; DISPOSAL FACILITY CERTIFICATES.**

(a) The commissioner of the Pollution Control Agency must amend Minnesota Rules, part 7048.1000, subpart 4, item D, to require six contact hours of required training to renew a type IV disposal facility certificate.

(b) The commissioner may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules under this section, and Minnesota Statutes, section 14.386, does not apply, except as provided under Minnesota Statutes, section 14.388.

Sec. 100. **RECREATIONAL TRAILS; ENVIRONMENTAL REVIEW; RULEMAKING.**

(a) The Environmental Quality Board must amend Minnesota Rules, chapter 4410, to be consistent with this section, including amending Minnesota Rules, part 4410.4300, subpart 37, as follows:

(1) item A must be amended to read: "Constructing a trail at least 25 miles long on forested or other naturally vegetated land for a recreational use unless exempted by part 4410.4600, subpart 14, item D. In applying this item, if a proposed trail will contain segments of newly constructed trail and segments that will follow an existing trail but be designated for a new motorized use, an EAW must be prepared if the sum of the quotients obtained by dividing the length of the new construction by 25 miles and length of the existing but newly designated trail by 25 miles equals or exceeds one. Additions and designations under items C and D do not apply to this formula.";

(2) item B must be amended to read: "Designating at least 25 miles of an existing trail for a new motorized recreational use other than snowmobiling. In applying this item, if a proposed trail will contain segments of newly constructed trail and segments that will follow an existing trail but be designated for a new motorized use, an EAW must be prepared if the sum of the quotients obtained by dividing the length of the new construction by 25 miles and the length of the existing but newly designated trail by 25 miles equals or exceeds one. Additions and designations under items C and D do not apply to this formula.";

(3) a new item C must be adopted to read: "When adding a new motorized recreational use or seasonal motorized recreational use to an existing motorized recreational trail if the treadway width is not expanded as a result of the added use, a mandatory EAW is not required."; and

(4) a new item D must be adopted to read: "When designating an existing, legally constructed route for motorized recreational use, a mandatory EAW is not required."

(b) The board may use the good cause exemption rulemaking procedure under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules under this section, and Minnesota Statutes, section 14.386, does not apply except as provided under Minnesota Statutes, section 14.388.

Sec. 101. WETLAND REPLACEMENT; FRAMEWORKS FOR IN-LIEU FEE PROGRAM.

The Board of Water and Soil Resources, in cooperation with the United States Army Corps of Engineers, may complete the planning frameworks and other program application requirements necessary for federal approval of an in-lieu fee program, as authorized under Minnesota Statutes, section 103G.2242, in the Red River basin and the greater than 80 percent area. The planning frameworks must contain a prioritization strategy for selecting and implementing mitigation activities based on a watershed approach that includes consideration of historic resource loss within watersheds and the extent to which mitigation can address priority watershed needs. The board must consider the recommendations of the report "Siting of Wetland Mitigation in Northeast Minnesota," dated March 7, 2014, and implementation of Minnesota Statutes, section 103B.3355, paragraphs (e) and (f), in developing proposed planning frameworks for applicable watersheds. When completing the work and pursuing approval of an in-lieu fee program, the board must do so consistent with the applicable requirements, stakeholder and agency review processes, and approval time frames in Code of Federal Regulations, title 33, section 332. The board must submit any completed planning frameworks to the chairs and ranking minority members of the house of representatives and the senate committees and divisions with jurisdiction over environment and natural resources upon receiving federal approval.

Sec. 102. TEMPORARY ENFORCEMENT OF GROUNDWATER APPROPRIATION PERMIT REQUIREMENTS.

(a) Until July 1, 2019, the commissioner of natural resources must not expend funds to suspend or revoke a water appropriation permit, issue an order requiring a violation to be corrected, assess monetary penalties, or otherwise take enforcement action against a water appropriation permit holder if the suspension, revocation, order, penalty, or other enforcement action is based solely on a violation of a permit requirement added to a groundwater appropriation permit within the north and east metro groundwater management area as a result of a court order issued in 2017.

(b) The commissioner of natural resources may continue to use all the authorities granted to the commissioner under Minnesota Statutes, section 103G.287, to manage groundwater resources within the north and east groundwater management area.

Sec. 103. GROUNDWATER MANAGEMENT AREA PERMIT REQUIREMENTS.

(a) Notwithstanding water appropriation permit requirements added by the commissioner of natural resources as a result of a court order issued in 2017, a public water supplier located in the seven-county metropolitan area within a designated groundwater management area:

(1) is not required to revise a water supply plan to include contingency plans to fully or partially convert its water supplies to surface water;

(2) may prepare, enact, and enforce commercial or residential irrigation bans or alternative measures that achieve similar water use reductions when notified by the commissioner of natural resources that lake levels have fallen below court-ordered levels; and

(3) is not required to use per capita residential water use as a measure for purposes of water use reduction goals, plans, and implementation and may submit water use plans and reports that use a measure other than per capita residential water use.

(b) This section expires July 1, 2019.

Sec. 104. **1837 CEDED TERRITORY FISHERIES TECHNICAL COMMITTEE.**

The commissioner of natural resources may invite at least two fish managers as designated by the commissioner to attend all meetings of the 1837 Ceded Territory Fisheries Technical Committee.

Sec. 105. **CARBON MONOXIDE EXPOSURE; FISH HOUSES AND ICE SHELTERS; REPORT.**

The commissioner of natural resources must work with fish house and ice shelter manufacturers and other interested parties to identify best practices to reduce fish house and ice shelter user exposure to carbon monoxide. The commissioner must increase outreach efforts relating to the dangers of carbon monoxide exposure in fish houses and report recommendations to the chairs of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources policy by January 15, 2019.

Sec. 106. **NONPOINT PRIORITY FUNDING PLAN; REPORT.**

The Board of Water and Soil Resources, in cooperation with representatives of state agencies, local governments, tribal governments, private and nonprofit organizations, and others must review the nonpoint priority funding plan under Minnesota Statutes, section 114D.50, subdivision 3a. By January 31, 2019, the board must submit a report to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources that contains recommendations to improve the effectiveness of nonpoint priority funding plans to meet the requirements in Minnesota Statutes, section 114D.50, subdivision 3a, the purposes in Minnesota Statutes, section 114D.50, subdivision 3, and the watershed and groundwater restoration and protection goals of Minnesota Statutes, chapters 103B and 114D.

Sec. 107. **HILL-ANNEX MINE STATE PARK; MANAGEMENT AND OPERATION.**

(a) The commissioner of natural resources must operate the Hill-Annex Mine State Park for the purposes it was established through June 30, 2021. The commissioner must work with the group established under Laws 2017, chapter 93, article 2, section 156, to review park activities and the alternate operating model developed and identify options for sustainable and viable operation of the park site. The commissioner must submit recommendations to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over the environment and natural resources by January 15, 2021.

(b) The commissioner of natural resources must work with the city of Calumet, other neighboring cities and townships, and other local units of government to identify and coordinate volunteers to supplement the Department of Natural Resources' park operations to the extent allowable under state law and rules.

Sec. 108. **DEMOLITION DEBRIS LANDFILLS; PERMITTING; GROUNDWATER EVALUATION.**

(a) In issuing or reissuing a class I demolition land disposal facility permit, the Minnesota Pollution Control Agency must consider environmental benefits and impacts, social and economic factors, the feasibility and practicability of the permit conditions, and whether the burden of any resulting tax or fee is reasonable, feasible, or practicable. A permit issued under this section must be in accordance with Minnesota Rules, part 7035.2825, and the Pollution Control Agency's Demolition Landfill Guidance published August 2005. The Pollution Control Agency must not impose permit conditions on class 1 demolition land disposal facilities, including requirements for enhanced cover and hydrogeologic sampling, analysis, and reporting, that are not contained in current rules or the Demolition Landfill Guidance unless revised rules are adopted reflecting the restrictions on permits required by this paragraph.

(b) The Pollution Control Agency must use existing appropriations to contract with an independent laboratory to develop a sampling protocol and to collect, analyze, and evaluate groundwater quality data from demolition debris land disposal facilities under a monitoring program in accordance with the Pollution Control Agency's Demolition

Landfill Guidance published August 2005. Data on groundwater quality must be evaluated in reference to and in accordance with the definition of pollutant under Minnesota Statutes, section 103H.005, subdivision 11, based on the Minnesota Department of Health's adopted health risk limits and health risk values. In evaluating pollutants, a laboratory must consider whether pollutant concentrations may originate from activities not associated with the permitted demolition debris land disposal facility. By November 1, 2018, the agency must submit a report of the evaluation to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over environment and natural resources finance.

Sec. 109. **PUBLIC DRAINAGE DITCH BUFFER STRIP; PLANTING AND MAINTENANCE.**

With the consent of the property owner where the drainage ditch buffer will be located, a drainage authority, as defined in Minnesota Statutes, section 103E.005, subdivision 9, may plant and maintain 16-1/2-foot ditch buffer strips that meet the width and vegetation requirements of Minnesota Statutes, section 103E.021, before acquiring and compensating for the buffer strip land rights according to Minnesota Statutes, chapter 103E. Planting and maintenance costs may be paid in accordance with Minnesota Statutes, chapter 103E. This section expires June 30, 2019.

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

Sec. 110. **WILD RICE; LEGISLATIVE FINDINGS.**

(a) The legislature finds that naturally occurring wild rice is an ecologically and culturally important aquatic plant resource found in certain waters within the state, which serves as a food source for wildlife and humans. The legislature further finds that in recognition of the unique importance of this resource, the Pollution Control Agency, in conjunction with Minnesota Indian tribes, has identified and listed, in rule, select wild-rice waters for which the water quality and the aquatic habitat necessary to support the propagation and maintenance of wild rice must not be materially impaired or degraded. The legislature also finds that identifying and listing additional wild-rice waters based upon their exceptional wild-rice characteristics is an appropriate method of protecting naturally occurring wild rice.

(b) The legislature further finds that federal law vests broad authority in the state to define beneficial uses for waters for the state and grants the state the primary responsibility and right to plan the development and use of the state's water resources and to specify appropriate water uses to be achieved and protected. The legislature also finds that certain waters of the state are used to irrigate wild rice intentionally grown as an agricultural crop, which is an appropriate beneficial use to be achieved and protected and which is the only established beneficial use specifically pertaining to wild rice. The legislature also finds that Minnesota has a unique numeric water quality standard for sulfate in rule to protect this beneficial use to permit the use of waters for irrigation for the production of wild rice that is based on outdated information and ignores the current scientific understanding of the potential impacts of sulfate on wild rice.

(c) The legislature further finds that it is contrary to the public welfare to impose requirements or burdens on regulated parties in Minnesota on the basis of a water quality standard that ignores current science. The legislature also finds that the water quality standard for sulfate has not been enforced in Minnesota since it was adopted in 1973, that the Pollution Control Agency has not designated in rules any waters subject to the water quality standard for sulfate, and that initiating enforcement of the existing obsolete standard would impose prohibitively expensive burdens on regulated parties with potentially grave economic impacts on Minnesota communities and industry.

(d) In recognition of the existence in rule of a water quality standard for sulfate that is not supported by current scientific information, in recognition of the potentially grave consequences that would occur from enforcement of that obsolete standard, and recognizing that the administrative process to repeal the rule has proven to be inefficient and will not provide the regulatory certainty required in a timely manner in the absence of legislative action, the legislature finds that the most effective means to serve the welfare of the state is to enact sections 111 to 116 to

eliminate the water quality standard for sulfate, leaving in place sufficient other provisions in law and rule for the protection of naturally occurring wild rice, including but not limited to the listing of additional select wild-rice waters.

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

Sec. 111. **WATER QUALITY STANDARD FOR SULFATE; RULEMAKING.**

The commissioner of the Pollution Control Agency may not adopt, modify, or proceed with any revisions to the rules pertaining to water quality standards for sulfate for wild-rice waters in Minnesota Rules, part 7050.0224, subpart 2, that were disapproved by the chief administrative law judge on January 11, 2018, without again going through the rulemaking procedures under Minnesota Statutes, sections 14.05 to 14.28, except Minnesota Statutes, section 14.101, does not apply.

EFFECTIVE DATE. This section is effective retroactively from January 11, 2018.

Sec. 112. **IDENTIFICATION AND LISTING OF WILD-RICE WATERS.**

The commissioner of the Pollution Control Agency may evaluate the waters of the state to determine if any additional waters containing naturally occurring wild rice have exceptional wild-rice characteristics. The commissioner may, by rule, identify and list these waters as [WR] waters where the water quality and the aquatic habitat necessary to support the propagation and maintenance of wild rice must not be materially impaired or degraded. Before identifying and listing a wild-rice water, the commissioner must establish, in a separate and prior rulemaking, criteria to be used in identifying and listing wild-rice waters. The criteria must include the following, each of which must be met before a water body can be identified and listed as a wild-rice water:

- (1) the history of harvesting wild rice;
- (2) minimum acreage; and
- (3) minimum density of wild rice.

Sec. 113. **APPLICATION OF WATER QUALITY STANDARD FOR SULFATE FOR WILD-RICE WATERS.**

The commissioner of the Pollution Control Agency must not apply the water quality standard for sulfate for wild-rice waters nullified in this act when issuing, modifying, or renewing national pollutant discharge elimination system or state disposal system permits. The commissioner of the Pollution Control Agency must take all steps necessary to conform the agency's rules and practices to this act and to ensure that no regulated party is required to take any action or bear any burden arising from the nullified water quality standard for sulfate unless requested by the permittee.

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

Sec. 114. **APPLICATION OF EQUATION-BASED WATER QUALITY STANDARD FOR WILD-RICE WATERS.**

The commissioner of the Pollution Control Agency must not apply the proposed equation-based sulfate standard rejected by the chief administrative law judge on January 11, 2018, including as a numeric translator to the narrative sulfate standard for wild rice under Minnesota Rules, part 7050.0150, subpart 3, or 7050.0224, subpart 1, when issuing, modifying, or renewing national pollutant discharge elimination system or state disposal system permits.

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

Sec. 115. **APPLICATION OF WATER QUALITY STANDARDS; IRRIGATION.**

The commissioner of the Pollution Control Agency must not apply a water quality standard established to protect water quality for purposes of permitting the water's use for irrigation without significant damage or adverse effects upon crops or vegetation, including water used for the production of wild rice, unless the water is appropriated for irrigation use.

Sec. 116. **NULLIFICATION OF WATER QUALITY STANDARD FOR SULFATE IN WILD-RICE WATERS.**

(a) Notwithstanding Minnesota Rules, part 7050.0224, subpart 2, there is no numeric, nonnarrative, water quality standard for sulfates in class 4A waters in the state until the commissioner of the Pollution Control Agency adopts a standard in accordance with section 111.

(b) That portion of Minnesota Rules, part 7050.0224, subpart 2, that conflicts with paragraph (a) is nullified and does not have the force and effect of law.

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

Sec. 117. **WILD RICE REPORT.**

(a) The commissioner of natural resources must convene a work group consisting of state, tribal, and public experts familiar with the agronomy and hydrology that supports naturally occurring wild rice. The work group's purpose is to advise the commissioner in the preparation of a report on wild rice.

(b) The commissioner of natural resources must submit a report to the state's tribal governments and the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources by January 15, 2019, that:

(1) provides recommendations on actions necessary to preserve and improve the health of existing natural wild rice beds;

(2) includes recommendations on monitoring the effectiveness of restoration and protection activities;

(3) identifies best management practices for natural wild rice protection and restoration and recommendations for expanding the use of effective best management practices; and

(4) identifies areas in which to implement the best management practices.

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

Delete the title and insert:

"A bill for an act relating to environment; appropriating money for environment and natural resources; modifying environmental, natural resource, and game and fish provisions; modifying Water Law; modifying Clean Water Legacy Act; modifying solid waste provisions; modifying certain penalties; modifying requirements for fencing abandoned mines; creating accounts; providing for disposition of certain receipts; requiring rulemaking; requiring reports; amending Minnesota Statutes 2016, sections 84.0895, subdivision 2; 84.775, subdivision 1; 84.83, subdivision 3; 84.86, subdivision 1; 84.928, subdivision 2; 86B.005, subdivision 8a; 86B.532, subdivision 1; 88.10, by adding a subdivision; 88.75, subdivision 1; 89.551; 97A.051, subdivision 2; 97A.433, subdivisions 4, 5; 97A.56, subdivision 2; 97B.015, subdivision 6; 97B.081, subdivision 3; 97B.1055; 97C.345, subdivision 3a; 103B.3369,

subdivisions 5, 9, by adding a subdivision; 103B.801, subdivisions 2, 5; 103E.021, subdivision 6; 103E.071; 103G.2242, subdivision 14; 103G.287, by adding a subdivision; 114D.15, subdivisions 7, 11, 13, by adding subdivisions; 114D.20, subdivisions 2, 3, 5, 7, by adding subdivisions; 114D.26; 114D.35, subdivisions 1, 3; 115.03, subdivisions 1, 5; 115.035; 115.77, subdivision 1; 115.84, subdivisions 2, 3; 115A.51; 115A.94, subdivisions 2, 4a, 4b, 4c, 4d, 5, by adding subdivisions; 115B.20, subdivision 2; 116.07, by adding a subdivision; 116.155, subdivision 1, by adding subdivisions; 116.993, subdivisions 2, 6; 180.03, subdivisions 2, 3, 4; 180.10; 444.075, subdivision 1a; 473.8441, subdivision 4; Minnesota Statutes 2017 Supplement, sections 84.01, subdivision 6; 84.91, subdivision 1; 84.925, subdivision 1; 84.9256, subdivision 1; 84D.03, subdivisions 3, 4; 84D.108, subdivisions 2b, 2c; 85.0146, subdivision 1; 97A.075, subdivision 1; 103G.271, subdivision 7; 116.07, subdivision 4d; 116.0714; 169A.07; Laws 2010, chapter 361, article 4, section 78; Laws 2015, First Special Session chapter 4, article 4, section 136, as amended; Laws 2016, chapter 189, article 3, sections 3, subdivision 5; 4; 48; Laws 2017, chapter 93, article 1, sections 3, subdivision 6; 4; article 2, sections 155, subdivision 5; 163; proposing coding for new law in Minnesota Statutes, chapters 84; 97A; 103G; 115; 115B; 116; 383A."

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

The report was adopted.

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

H. F. No. 3708, A bill for an act relating to energy; establishing a carbon reduction facility designation for certain large electric generating facilities; proposing coding for new law in Minnesota Statutes, chapter 216B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[216B.1697] CARBON REDUCTION FACILITIES; NUCLEAR ENERGY.**

Subdivision 1. Qualifying facilities. An existing large electric generating power plant, as defined in section 216B.2421, subdivision 2, clause (1), employing nuclear technology to generate electricity qualifies for designation as a carbon reduction facility as provided in this section.

Subd. 2. Proposal submission. (a) A public utility may submit a proposal to the commission for designation of a qualifying facility as a carbon reduction facility under this section. The proposal must be filed within a public utility's new resource plan filing no earlier than February 1, 2019. The proposal shall include:

(1) a showing that the facility meets the requirements of subdivision 1;

(2) a proposed statement of the total expected costs, including, but not limited to, capital investments and operation and maintenance costs associated with the operation of the facility. The total expected costs shall cover a period not to exceed the planning period of the public utility's new resource plan;

(3) details about all costs currently included in rates, current operating costs if different than those currently included in rates, and an evaluation of the utility's forecasted costs prepared by an independent evaluator; and

(4) an analysis of how the proposed capital investments and operation and maintenance costs would impact rates if that impact is different than any described in the utility's most recently filed resource plan.

(b) If the information submitted in the original proposal changes because it was unknown and not capable of being known at the time of the original proposal, a utility may at any time file additional proposals for the same facility.

(c) The proposal may ask the commission to establish a sliding scale rate-of-return mechanism for the capital investments to provide an additional incentive for the utility to complete the project at or under the proposed costs.

Subd. 3. Proposal approval. (a) The commission shall approve, reject, or modify the proposed designation of the facility and the total expected costs submitted by the public utility. The commission shall make a final determination on the proposed designation concurrent with its order in the resource plan, or sooner, should the commission determine that it is in the public interest.

(b) When conducting the review in paragraph (a), the commission shall allow intervention by the Department of Commerce, the Office of the Attorney General, ratepayer advocates, the Prairie Island and Monticello communities, and other interested parties. The public utility shall pay the costs of any nuclear expert retained by the Department of Commerce.

(c) To the extent the commission modifies the proposal, the utility may choose whether to accept the modifications. If the utility does not accept the modifications, the commission shall deem the proposal withdrawn.

(d) With respect to any carbon reduction facility, the approval shall constitute a finding of prudence for the total expected costs contained in the proposal, meaning that the utility shall be entitled to recover, through a subsequent rate case, any actual costs not in excess of the total expected costs provided in its proposal for designation as a carbon reduction facility.

(e) Upon approval of a proposed designation of a facility and the total expected costs submitted by the utility, the utility shall provide biennial updates to the commission regarding its progress with respect to adhering to the approved costs. The commission may issue orders it deems necessary to ensure that the carbon reduction facility remains cost-effective for customers and financially viable for the utility."

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

The report was adopted.

Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 9, H. F. No. 3708 was re-referred to the Committee on Rules and Legislative Administration.

Dauids from the Committee on Taxes to which was referred:

H. F. No. 4016, A bill for an act relating to state government; appropriating money for certain agencies and reducing appropriations for certain agencies; approving transfers of money from certain accounts; requiring enhanced cybersecurity; establishing principles for districting; establishing the Legislative Budget Office Oversight Commission; establishing provisions for the Legislative Budget Office; modifying provisions for the operations of state government; modifying provisions for the state auditor, governor's office, Office of Administrative Hearings, Metropolitan Council, and attorney general; establishing emergency operations and continuity of government plans; establishing an office to receive and investigate harassment, misconduct, and discrimination claims; establishing Fort Snelling National Landmark Redevelopment bonding authority; transferring certain duties of Minnesota Management and Budget to the Legislative Budget Office; transferring duties for data practices and open meeting law from the Department of Administration to the Office of Administrative Hearings; requiring a report on valuation

method of pipeline operating property; establishing certain pension amounts for volunteer firefighters relief association; approving submission of a bid to host a Nordic World Cup Ski Championship; approving construction of additional veterans homes; changing administrative rulemaking provisions; changing campaign finance provisions; modifying provisions for Minnesota Sports Facilities Authority; requiring reports; amending Minnesota Statutes 2016, sections 1.26, subdivisions 1, 2; 3.303, by adding a subdivision; 3.8841, subdivision 9; 8.065; 10A.01, subdivision 35; 10A.02, subdivisions 7, 13; 10A.31, subdivisions 1, 3, 4, 5, 7, 10, 10b; 10A.315; 10A.321, subdivision 1; 12.09, subdivision 2; 12.21, subdivision 3; 13.02, by adding subdivisions; 13.072; 13.08, subdivision 4; 13.085, subdivisions 2, 3, 4, 5, 6, by adding a subdivision; 13.55, subdivisions 1, 2; 13.64, by adding a subdivision; 13.685; 13D.06, subdivision 4; 14.03, subdivision 3; 14.127, subdivision 4; 14.381, by adding a subdivision; 16A.013, by adding a subdivision; 16A.11, subdivision 1, by adding a subdivision; 16A.965, by adding a subdivision; 16D.09; 16E.016; 16E.03, subdivisions 4, 7, by adding a subdivision; 155A.23, subdivision 8; 155A.25, subdivision 1a; 155A.28, by adding a subdivision; 155A.29, subdivisions 1, 6; 240.01, by adding a subdivision; 240.02, subdivision 6; 240.08, subdivision 5; 240.131, subdivision 7; 240.22; 270C.13, subdivision 1; 290.06, subdivision 23; 297A.994, subdivision 4; 297E.021, subdivisions 3, 4; 340A.404, subdivision 1; 340A.412, by adding a subdivision; 349A.06, subdivision 11; 352.01, subdivision 2a; 424B.20, subdivision 4; 473.121, subdivision 5a; 473.123, subdivisions 1, 2a, 3a, 4, by adding subdivisions; 473.146, subdivisions 3, 4; 473.164; 473.565, subdivision 1; 473.755, subdivision 4; 473.763, subdivision 2; 473J.03, by adding a subdivision; 473J.07, subdivisions 2, 3, 4, 7, 8, 9, by adding subdivisions; 473J.09, subdivision 13, by adding subdivisions; 473J.13, subdivisions 2, 3; 473J.25, subdivision 3; 473J.27, subdivision 2; 480.15, by adding a subdivision; Minnesota Statutes 2017 Supplement, sections 3.8853, subdivisions 1, 2, by adding subdivisions; 3.98, subdivision 1; 6.481, subdivision 3; 15A.0815, subdivision 3; 477A.03, subdivision 2b; Laws 2017, First Special Session chapter 4, article 2, sections 1; 3; 58; proposing coding for new law in Minnesota Statutes, chapters 2; 4; 5; 12; 13; 14; 43A; 473J; 474A; repealing Minnesota Statutes 2016, sections 3.93; 3.94; 3.95; 3.96; 8.10; 10A.30, subdivision 2; 10A.31, subdivisions 3a, 5a, 6, 6a; 13.02, subdivision 2; 14.381, subdivision 3; 137.50, subdivision 5; 155A.28, subdivisions 1, 3, 4; 473.123, subdivision 3; 473.551; 473.552; 473.553, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13; 473.556, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 16, 17; 473.561; 473.564, subdivisions 2, 3; 473.572; 473.581; 473.592, subdivision 1; 473.595; 473.598; 473.599; 473.76; 473J.09, subdivision 14; Minnesota Statutes 2017 Supplement, section 3.98, subdivision 4; Laws 1994, chapter 628, article 1, section 8; Laws 2017, First Special Session chapter 4, article 2, section 59.

Reported the same back with the following amendments:

Page 6, line 25, after the period, insert "This is a onetime appropriation."

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

The report was adopted.

Dauids from the Committee on Taxes to which was referred:

H. F. No. 4133, A bill for an act relating to agriculture; making policy and technical changes to various agricultural provisions; classifying agricultural research data maintained by the University of Minnesota; amending Minnesota Statutes 2016, sections 13.643, subdivision 7; 17.494; 17.4982, by adding subdivisions; 18.83, subdivision 7; 18B.34, subdivision 5; 25.33, subdivision 8; 28A.04, subdivision 1; 28A.08, subdivision 3; 29.26; 34A.11, subdivision 7; 41A.15, subdivision 10, by adding a subdivision; 41A.16, subdivisions 1, 4; 41A.17,

subdivisions 1, 2, 3; 41A.18, subdivisions 1, 3; 41B.02, subdivision 10a; 41B.047, subdivisions 1, 3; 41B.049, subdivision 5; 41B.055, subdivision 3; 41B.057, subdivision 3; 41B.06; 103H.275, subdivision 1; Minnesota Statutes 2017 Supplement, sections 28A.05; 32D.13, by adding a subdivision; 32D.20, subdivision 2; 32D.22; 41B.0391, subdivisions 1, 5; proposing coding for new law in Minnesota Statutes, chapters 17; 41B; repealing Minnesota Statutes 2016, section 41A.15, subdivisions 2a, 2b.

Reported the same back with the following amendments:

Page 17, delete section 28

Page 19, delete section 29

Page 22, delete section 35

Renumber the sections in sequence and correct the internal references

Correct the title numbers accordingly

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

The report was adopted.

Torkelson from the Committee on Transportation Finance to which was referred:

H. F. No. 4160, A bill for an act relating to public safety; creating a fund in the state treasury; making technical and conforming changes; amending Minnesota Statutes 2016, sections 168A.29, subdivision 1; 299A.705; Minnesota Statutes 2017 Supplement, section 171.06, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 299A; repealing Minnesota Statutes 2016, section 168.013, subdivision 21.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
TRANSPORTATION APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the column under "Appropriations" are added to the appropriations in Laws 2017, First Special Session chapter 3, article 1, to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. Amounts for "Total Appropriation" and sums shown in the corresponding columns marked "Appropriations by Fund" are summary only and do not have legal effect. The figures "2018" and "2019" used in this article mean that the addition to the appropriation listed under them is available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively.

APPROPRIATIONS
Available for the Year
Ending June 30
2018 **2019**

Sec. 2. **DEPARTMENT OF TRANSPORTATION**

Subdivision 1. **Total Appropriation**

\$-0- **\$135,539,000**

Appropriations by Fund

| | <u>2018</u> | <u>2019</u> |
|-----------------|-------------|-------------|
| General | -0- | 22,230,000 |
| Special Revenue | -0- | 1,550,000 |
| C.S.A.H. | -0- | 24,945,000 |
| M.S.A.S. | -0- | 6,552,000 |
| Trunk Highway | -0- | 80,750,000 |

The appropriations in this section are to the commissioner of transportation. The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Aeronautics**

-0- 2,000,000

This appropriation is for a grant to the city of Rochester to acquire and install a CAT II approach system at the Rochester International Airport. This appropriation is available when the commissioner of management and budget determines that sufficient resources have been committed to complete the project, as required by Minnesota Statutes, section 16A.502, and is available until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642. This is a onetime appropriation.

Subd. 3. **Freight Rail**

(a) **Freight Rail Economic Development (FRED)**

-0- 5,000,000

This appropriation is for the freight rail economic development program under Minnesota Statutes, section 222.505.

The base is \$2,000,000 in each of fiscal years 2020 and 2021.

(b) **Rice Creek Railroad Bridge**

-0- 1,550,000

This appropriation is from the freight rail account in the special revenue fund under the freight rail economic development program in Minnesota Statutes, section 222.505, for the grant under section 11. This appropriation is available when the commissioner of management and budget determines that sufficient resources have been committed to complete the project, as required by Minnesota

Statutes, section 16A.502, and is available until the project is completed or abandoned subject to Minnesota Statutes, section 16A.642. This is a onetime appropriation.

Subd. 4. State Roads

Unless otherwise specified, the appropriations in this subdivision are from the trunk highway fund.

(a) Operations and Maintenance -0- 11,095,000

This is a onetime appropriation.

(b) Program Planning and Delivery

(1) Planning and Research -0- 2,094,000

If a balance remains of this appropriation, the commissioner may transfer up to that amount for program delivery under clause (2).

\$500,000 in the second year is to conduct a study on the feasibility of an interchange at marked Interstate Highway 35 and County Road 9 in Rice County. At a minimum, the study must include estimated construction costs, traffic modeling, an environmental analysis, and a potential design layout for an interchange.

\$500,000 in the second year is to conduct a study on the feasibility of expanding or reconstructing marked Interstate Highway 94 from the city of St. Michael to the city of St. Cloud. At a minimum, the study must include traffic modeling and an environmental analysis.

This is a onetime appropriation.

(2) Program Delivery -0- 13,317,000

Appropriations by Fund

| | <u>2018</u> | <u>2019</u> |
|----------------------|-------------|------------------|
| <u>General</u> | -0- | <u>6,230,000</u> |
| <u>Trunk Highway</u> | -0- | <u>7,087,000</u> |

This appropriation includes use of consultants to support development and management of projects. This is a onetime appropriation.

\$5,400,000 in the second year is from the general fund for a grant to the city of Virginia to repay loans incurred by the city for costs related to utility relocation for the U.S. Highway 53 project. This is a onetime appropriation.

\$830,000 in the second year is from the general fund for a grant to the city of Mankato for a project to increase the height of a levee and related construction on a segment of marked Trunk Highway 169 north of the Highway 14 interchange to accommodate the raising of a levee. This appropriation is for the local share the city of Mankato would be responsible for under the state's Cost Participation and Maintenance with Local Units of Government Manual, or any contract between the state and the city of Mankato. This is a onetime appropriation and is available when the commissioner of management and budget determines that sufficient resources have been committed to complete the project, as required by Minnesota Statutes, section 16A.502.

(c) State Road Construction

-0-

48,155,000

This appropriation is for the actual construction, reconstruction, and improvement of trunk highways, including design-build contracts, internal department costs associated with delivering the construction program, consultant use to support the activities, and the cost of actual payments to landowners for lands acquired for highway rights-of-way, payment to lessees, interest subsidies, and relocation expenses. This is a onetime appropriation.

For any trunk highway reconstruction or resurfacing project in 2020 or 2021 that includes establishment of one or more temporary lanes of travel, the commissioner must establish additional permanent general purpose lanes for that segment if (1) the project is on an Interstate Highway; (2) the total project cost estimate is at least \$30,000,000; and (3) the annual average daily traffic is at least 40,000 at any point within the project limits.

(d) Corridors of Commerce

-0-

10,000,000

This appropriation is for the corridors of commerce program under Minnesota Statutes, section 161.088. This is a onetime appropriation.

(e) Highway Debt Service

-0-

2,319,000

\$2,319,000 in fiscal year 2019 is for transfer to the state bond fund. If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of management and budget must transfer the deficiency amount under the statutory open appropriation and notify the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance and the chairs of the senate Finance Committee and the house of representatives Ways and Means Committee of the amount of the deficiency. Any excess appropriation cancels to the trunk highway fund.

Subd. 5. Local Roads

| | | |
|--|-------------------|--------------------------|
| (a) <u>County State-Aid Roads</u> | <u>-0-</u> | <u>24,945,000</u> |
|--|-------------------|--------------------------|

This appropriation is from the county state-aid highway fund under Minnesota Statutes, sections 161.081 and 297A.815, subdivision 3, and Minnesota Statutes, chapter 162, and is available until June 30, 2027. This is a onetime appropriation.

| | | |
|---|-------------------|-------------------------|
| (b) <u>Municipal State-Aid Roads</u> | <u>-0-</u> | <u>6,552,000</u> |
|---|-------------------|-------------------------|

This appropriation is from the municipal state-aid street fund under Minnesota Statutes, chapter 162, and is available until June 30, 2027. This is a onetime appropriation.

| | | |
|---|-------------------|-------------------------|
| (c) <u>Small Cities Assistance</u> | <u>-0-</u> | <u>7,000,000</u> |
|---|-------------------|-------------------------|

This appropriation is for the small cities assistance program under Minnesota Statutes, section 162.145.

The base is \$8,081,000 in fiscal year 2020 and \$8,082,000 in fiscal year 2021.

| | | |
|------------------------------|-------------------|-------------------------|
| (d) <u>Town Roads</u> | <u>-0-</u> | <u>2,000,000</u> |
|------------------------------|-------------------|-------------------------|

This appropriation is for town roads, to be distributed in the manner provided under Minnesota Statutes, section 162.081. This is a onetime appropriation.

Subd. 6. Tribal Training Program

The commissioner must implement interagency billing to state agencies for costs related to that agency's participation in tribal training activities provided by the Department of Transportation.

| | | |
|--|---------------------|---------------------------|
| Sec. 3. <u>METROPOLITAN COUNCIL</u> | <u>\$-0-</u> | <u>\$3,500,000</u> |
|--|---------------------|---------------------------|

This appropriation is for financial assistance to replacement service providers under Minnesota Statutes, section 473.388, for the purposes of the suburb-to-suburb transit project authorized under Laws 2015, chapter 75, article 1, section 4. Of the amount in the second year, \$2,500,000 is for capital improvements, including bus replacement, associated with the project. The replacement service providers must collectively identify and notify the Metropolitan Council of the capital expenditures under this rider, and the Metropolitan Council must allocate funds as directed by the replacement service providers. The council is prohibited from retaining any portion of the funds under this appropriation. This is a onetime appropriation.

Notwithstanding Laws 2017, First Special Session chapter 3, article 1, section 3, the base is \$90,747,000 in fiscal year 2020 and \$90,730,000 in fiscal year 2021.

Sec. 4. **DEPARTMENT OF MANAGEMENT AND BUDGET**

\$9,000,000

\$-0-

This appropriation is for reimbursement grants to deputy registrars under Minnesota Statutes, section 168.335, provided that the time period under Minnesota Statutes, section 168.335, subdivision 3, paragraph (a), clause (1), is August 1, 2017, through January 31, 2018.

\$6,265,000 in the first year is from the driver services operating account and \$2,735,000 in the first year is from the vehicle services operating account.

For the appropriation in the first year, the commissioner of management and budget must make efforts to reimburse deputy registrars within 30 days of the effective date of this section.

The base from the general fund is \$9,000,000 in each of fiscal years 2020 and 2021. The base from the driver services operating account is \$0 in each of fiscal years 2020 and 2021. The base from the vehicle services operating account is \$0 in each of fiscal years 2020 and 2021.

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

Sec. 5. Laws 2017, First Special Session chapter 3, article 1, section 2, subdivision 2, is amended to read:

Subd. 2. **Multimodal Systems**

(a) **Aeronautics**

(1) **Airport Development and Assistance**

26,001,000

16,598,000

This appropriation is from the state airports fund and must be spent according to Minnesota Statutes, section 360.305, subdivision 4.

Notwithstanding Minnesota Statutes, section 16A.28, subdivision 6, this appropriation is available for five years after the year of the appropriation. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$6,619,000 in the first year is for a grant to the Duluth Airport Authority for improvements at the Duluth International Airport and the Sky Harbor Airport in accordance with Minnesota Statutes, section 360.017. For the purposes of this appropriation, the commissioner may waive the requirements of Minnesota Statutes, section 360.305, subdivision 4, paragraph (b). This appropriation may be used to reimburse the Authority for costs incurred after March 1, 2015. This is a onetime appropriation.

\$2,334,000 in the first year is for a grant to the city of Rochester for improvements to the passenger terminal building at the Rochester International Airport in accordance with Minnesota Statutes, section 360.017. For the purposes of this appropriation, the commissioner of transportation may waive the requirements of Minnesota Statutes, section 360.305, subdivision 4, paragraph (b). This appropriation may be used to reimburse the city for costs incurred after May 1, 2016. This is a onetime appropriation.

Notwithstanding Minnesota Statutes, section 360.017, \$250,000 in the first year is for a grant to the city of St. Cloud for an air transport optimization planning study for the St. Cloud Regional Airport. The study must be comprehensive and market-based, using economic development and air service expertise to research, analyze, and develop models and strategies that maximize the return on investments made to enhance the use and impact of the St. Cloud Regional Airport. By January 5, 2018, the city of St. Cloud shall submit a report to the governor and the members and staff of the legislative committees with jurisdiction over capital investment, transportation, and economic development with recommendations based on the findings of the study. This is a onetime appropriation.

If the commissioner of transportation determines that a balance remains in the state airports fund following the appropriations made in this article and that the appropriations made are insufficient for advancing airport development and assistance projects, an amount necessary to advance the projects, not to exceed the balance in the state airports fund, is appropriated in each year to the commissioner and must be spent according to Minnesota Statutes, section 360.305, subdivision 4. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation must notify the commissioner of management and budget and the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance concerning the funds appropriated. Funds appropriated under this contingent appropriation do not adjust the base for fiscal years 2020 and 2021.

The base is \$15,298,000 in each of fiscal years 2020 and 2021.

| | | | |
|--|-----------|-----------|-----------|
| (2) Aviation Support and Services | | 6,710,000 | 6,854,000 |
| Appropriations by Fund | | | |
| | 2018 | 2019 | |
| Airports | 5,231,000 | 5,231,000 | |
| Trunk Highway | 1,479,000 | 1,623,000 | |
| (3) Civil Air Patrol | | 3,580,000 | 80,000 |

This appropriation is from the state airports fund for the Civil Air Patrol.

\$3,500,000 in the first year is for a grant to: (1) perform site selection and analysis; (2) purchase, renovate a portion of and, or construct an addition to the training and maintenance facility located at the South St. Paul airport, facilities; and to (3) furnish and equip the facility facilities, including communications equipment. If the Civil Air Patrol purchases an existing facility, predesign requirements are waived. The facilities must be located at an airport in Minnesota. Notwithstanding the matching requirements in Minnesota Statutes, section 360.305, subdivision 4, a nonstate contribution is not required for this appropriation. Notwithstanding Minnesota Statutes, section 16A.28, subdivision 6, this appropriation is available for ~~five~~ six years after the year of the appropriation. This is a onetime appropriation.

(b) Transit 1,416,000 18,268,000

Appropriations by Fund

| | 2018 | 2019 |
|---------------|---------|------------|
| General | 570,000 | 17,395,000 |
| Trunk Highway | 846,000 | 873,000 |

\$150,000 in each year is from the general fund for grants to transportation management organizations that provide services exclusively or primarily in the city located along the marked Interstate Highway 494 corridor having the highest population as of the effective date of this section. The commissioner must not retain any portion of the funds appropriated under this section. From the appropriation in each fiscal year, the commissioner must make grant payments in full by July 31. Permissible uses of funds under this grant include administrative expenses and programming and service expansion, including but not limited to staffing, communications, outreach and education program development, and operations management. This is a onetime appropriation.

The base from the general fund is \$17,245,000 in each year for fiscal years 2020 and 2021.

(c) Safe Routes to School 500,000 500,000

This appropriation is from the general fund for the safe routes to school program under Minnesota Statutes, section 174.40.

(d) Passenger Rail 500,000 500,000

This appropriation is from the general fund for passenger rail system planning, alternatives analysis, environmental analysis, design, and preliminary engineering under Minnesota Statutes, sections 174.632 to 174.636.

(e) Freight

| | | |
|--|-----------|-----------|
| Freight and Commercial Vehicle Operations | 8,506,000 | 6,578,000 |
|--|-----------|-----------|

Appropriations by Fund

| | 2018 | 2019 |
|---------------|-----------|-----------|
| General | 3,156,000 | 1,056,000 |
| Trunk Highway | 5,350,000 | 5,522,000 |

\$1,100,000 in the first year is from the general fund for port development assistance grants under Minnesota Statutes, chapter 457A, to the city of Red Wing and to the Port Authority of Winona. Any improvements made with the proceeds of the grants must be publicly owned. This is a onetime appropriation and is available in the second year.

\$800,000 in each year is from the general fund for additional rail safety and rail service activities.

\$1,000,000 in the first year is from the general fund for a grant to the city of Grand Rapids to fund rail planning studies, design, and preliminary engineering relating to the construction of a freight rail line located in the counties of Itasca, St. Louis, and Lake to serve local producers and shippers. The city of Grand Rapids shall collaborate with the Itasca Economic Development Corporation and the Itasca County Regional Railroad Authority in the activities funded with the proceeds of this grant. This is a onetime appropriation and is available until June 30, 2019.

Sec. 6. Laws 2017, First Special Session chapter 3, article 1, section 4, subdivision 1, is amended to read:

| | | |
|---|----------------------|---|
| Subdivision 1. Total Appropriation | \$199,838,000 | \$ 199,407,000 <u>198,041,000</u> |
|---|----------------------|---|

Appropriations by Fund

| | 2018 | 2019 |
|-----------------|-------------|---|
| General | 19,971,000 | 14,381,000 |
| Special Revenue | 63,945,000 | 65,087,000 |
| H.U.T.D. | 10,474,000 | 10,486,000 <u>9,120,000</u> |
| Trunk Highway | 105,448,000 | 109,453,000 |

The appropriations in this section are to the commissioner of public safety. The amounts that may be spent for each purpose are specified in the following subdivisions.

Sec. 7. Laws 2017, First Special Session chapter 3, article 1, section 4, subdivision 2, is amended to read:

Subd. 2. **Administration and Related Services**

| | | |
|-------------------------------------|---------|---------|
| (a) Office of Communications | 553,000 | 573,000 |
|-------------------------------------|---------|---------|

Appropriations by Fund

| | 2018 | 2019 |
|---------------|---------|---------|
| General | 127,000 | 130,000 |
| Trunk Highway | 426,000 | 443,000 |

| | | |
|----------------------------------|-----------|--|
| (b) Public Safety Support | 6,372,000 | 6,569,000 <u>5,203,000</u> |
|----------------------------------|-----------|--|

Appropriations by Fund

| | 2018 | 2019 |
|---------------|-----------|--------------------------|
| General | 1,225,000 | 1,235,000 |
| H.U.T.D. | 1,366,000 | 1,366,000 -0- |
| Trunk Highway | 3,781,000 | 3,968,000 |

| | | |
|--|---------|---------|
| (c) Public Safety Officer Survivor Benefits | 640,000 | 640,000 |
|--|---------|---------|

This appropriation is from the general fund for payment of public safety officer survivor benefits under Minnesota Statutes, section 299A.44.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

| | | |
|---|-----------|-----------|
| (d) Public Safety Officer Reimbursements | 1,367,000 | 1,367,000 |
|---|-----------|-----------|

This appropriation is from the general fund to be deposited in the public safety officer's benefit account. This money is available for reimbursements under Minnesota Statutes, section 299A.465.

| | | |
|---|---------|---------|
| (e) Soft Body Armor Reimbursements | 700,000 | 700,000 |
|---|---------|---------|

Appropriations by Fund

| | 2018 | 2019 |
|---------------|---------|---------|
| General | 600,000 | 600,000 |
| Trunk Highway | 100,000 | 100,000 |

This appropriation is for soft body armor reimbursements under Minnesota Statutes, section 299A.38.

(f) **Technology and Support Service** 3,777,000 3,814,000

Appropriations by Fund

| | 2018 | 2019 |
|---------------|-----------|-----------|
| General | 1,353,000 | 1,365,000 |
| H.U.T.D. | 19,000 | 19,000 |
| Trunk Highway | 2,405,000 | 2,430,000 |

Sec. 8. **HIGHWAY USER TAX DISTRIBUTION FUND TRANSFER.**

\$75,270,000 in fiscal year 2019 is transferred from the general fund to the commissioner of transportation for deposit in the highway user tax distribution fund.

Sec. 9. **RAIL SERVICE IMPROVEMENT ACCOUNT TRANSFER.**

On June 30, 2018, the commissioner of transportation must transfer the entire balance in the rail service improvement account to the freight rail account in the special revenue fund. Any encumbrance from the rail service improvement account made before the transfer remains in effect from the freight rail account following the transfer.

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

Sec. 10. **DRIVER AND VEHICLE SERVICES FUND.**

The appropriations in fiscal year 2019 from the driver services operating account and from the vehicle services operating account under Laws 2017, First Special Session chapter 3, article 1, section 4, are available from the corresponding account in the driver and vehicle services fund under Minnesota Statutes, sections 299A.704 and 299A.705, for the purposes specified under Laws 2017, First Special Session chapter 3, article 1, section 4.

Sec. 11. **RICE CREEK RAILROAD BRIDGE.**

(a) From funds specifically made available for purposes of this section, the commissioner of transportation must provide a grant to Minnesota Commercial Railway Company to demolish the existing railroad bridge over Rice Creek in New Brighton and to predesign, design, acquire any needed right-of-way, engineer, construct, and equip a replacement railroad bridge to meet the needs of the railroad operators that use the bridge.

(b) The grant under this section is contingent on:

(1) review and approval of the railway company's design, engineering, and plans for the project by Ramsey County to ensure the project does not interfere with recreational use of adjacent park property and Rice Creek, and by the Rice Creek Watershed District to ensure that the project's impact on flows in the creek complies with the watershed district's adopted rules. These reviews and approvals are in addition to any other reviews, permits, or approvals required for the project;

(2) Minnesota Commercial Railway Company removing all structures related to the existing bridge, including any pilings, footings, or water control structures placed to protect the existing bridge structures, from the Rice Creek streambed as part of the demolition and removal of the existing bridge, except to the extent prohibited by a permitting authority, including but not limited to the Department of Natural Resources and the United States Army Corps of Engineers. The replacement bridge and structures are the property of the owner of the railroad right-of-way and railroad operator, as may be arranged between them; and

(3) Minnesota Commercial Railway Company entering into an agreement with Ramsey County that: (i) grants the company access to both construct and perform ongoing maintenance on the bridge; and (ii) provides for repair of the county trail damaged by railway maintenance work that occurred on the two years before the effective date of this section, as well as immediately after construction and any subsequent maintenance activities.

(c) By entering into a grant agreement with the commissioner of transportation, Minnesota Commercial Railway Company agrees to cooperate with the city of New Brighton and Ramsey County to develop crossings and trails in or near to the railway right-of-way in the city.

ARTICLE 2 TRANSPORTATION BONDS

Section 1. **BOND APPROPRIATIONS.**

The sums shown in the column under "Appropriations" are appropriated from the bond proceeds account in the trunk highway fund to the state agencies or officials indicated, to be spent for public purposes. Appropriations of bond proceeds must be spent as authorized by the Minnesota Constitution, articles XI and XIV. Unless otherwise specified, money appropriated in this article for a capital program or project may be used to pay state agency staff costs that are attributed directly to the capital program or project in accordance with accounting policies adopted by the commissioner of management and budget.

SUMMARY

| | |
|--|-----------------------------|
| <u>Department of Transportation</u> | \$250,000,000 |
| <u>Department of Management and Budget</u> | 250,000 |
| <u>TOTAL</u> | <u>\$250,250,000</u> |

APPROPRIATIONS

Sec. 2. **DEPARTMENT OF TRANSPORTATION**

| | |
|--|-----------------------------|
| Subdivision 1. <u>Corridors of Commerce</u> | <u>\$145,000,000</u> |
|--|-----------------------------|

This appropriation is to the commissioner of transportation for the corridors of commerce program under Minnesota Statutes, section 161.088.

The commissioner may use up to 17 percent of the amount for program delivery.

| | |
|---|----------------------------|
| Subd. 2. <u>Trunk Highway-Rail Grade Separations</u> | <u>\$75,000,000</u> |
|---|----------------------------|

This appropriation is to the commissioner of transportation for trunk highway-rail grade separation projects (1) identified as priority grade separation recommendations in the final report on highway-rail grade crossing improvements submitted under Laws 2014, chapter 312, article 10, section 10; and (2) for which trunk highway bond proceeds are a permissible use. The commissioner must first prioritize grade separation projects that eliminate a skewed intersection of two trunk highways.

If any proceeds under this subdivision remain following a determination by the commissioner that sufficient resources have been committed to complete all eligible projects, the remaining amount is available for the corridors of commerce program under Minnesota Statutes, section 161.088.

Subd. 3. Transportation Facilities Capital

\$30,000,000

This appropriation is to the commissioner of transportation for the transportation facilities capital program under Minnesota Statutes, section 174.13.

Sec. 3. BOND SALE EXPENSES

\$250,000

This appropriation is to the commissioner of management and budget for bond sale expenses under Minnesota Statutes, sections 16A.641, subdivision 8, and 167.50, subdivision 4.

Sec. 4. BOND SALE AUTHORIZATION.

To provide the money appropriated in this article from the bond proceeds account in the trunk highway fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$250,250,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota Constitution, article XIV, section 11, at the times and in the amounts requested by the commissioner of transportation. The proceeds of the bonds, except accrued interest and any premium received from the sale of the bonds, must be deposited in the bond proceeds account in the trunk highway fund.

ARTICLE 3
TRANSPORTATION POLICY AND FINANCE

Section 1. Minnesota Statutes 2017 Supplement, section 3.972, subdivision 4, is amended to read:

Subd. 4. Certain transit financial activity reporting. (a) The legislative auditor must perform a transit financial activity review of financial information for the Metropolitan Council's Transportation Division ~~and the joint powers board under section 297A.992.~~ Within 14 days of the end of each fiscal quarter, two times each year. The first report, due April 1, must include the quarters ending on September 30 and December 31 of the previous calendar year. The second report, due October 1, must include the quarters ending on March 31 and June 30 of the current year. The legislative auditor must submit the review to the Legislative Audit Commission and the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance, finance, and ways and means.

(b) At a minimum, each transit financial activity review must include:

(1) a summary of monthly financial statements, including balance sheets and operating statements, that shows income, expenditures, and fund balance;

(2) a list of any obligations and agreements entered into related to transit purposes, whether for capital or operating, including but not limited to bonds, notes, grants, and future funding commitments;

(3) the amount of funds in clause (2) that has been committed;

(4) independent analysis by the fiscal oversight officer of the fiscal viability of revenues and fund balance compared to expenditures, taking into account:

- (i) all expenditure commitments;
- (ii) cash flow;
- (iii) sufficiency of estimated funds; and
- (iv) financial solvency of anticipated transit projects; and

(5) a notification concerning whether the requirements under paragraph (c) have been met.

(c) The Metropolitan Council ~~and the joint powers board under section 297A.992~~ must produce monthly financial statements as necessary for the review under paragraph (b), clause (1), and provide timely information as requested by the legislative auditor.

(d) This subdivision expires April 15, 2023.

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

Sec. 2. Minnesota Statutes 2016, section 13.461, is amended by adding a subdivision to read:

Subd. 33. **Metropolitan Council special transportation service.** Data sharing between the commissioner of human services and the Metropolitan Council to administer and coordinate transportation services for individuals with disabilities and elderly individuals is governed by section 473.386, subdivision 9.

EFFECTIVE DATE. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 3. Minnesota Statutes 2016, section 13.6905, subdivision 3, is amended to read:

Subd. 3. **Motor vehicle registration.** Various data on motor vehicle registrations are classified under sections 168.327, subdivision 3, and 168.346. Use of vehicle registration data is governed by section 168.345.

Sec. 4. Minnesota Statutes 2016, section 13.72, subdivision 10, is amended to read:

Subd. 10. **Transportation service data.** (a) Personal, medical, financial, familial, or locational information data pertaining to applicants for or users of services providing transportation for ~~the disabled~~ individuals with disabilities or elderly individuals are private data on individuals.

(b) Private transportation service data may be disclosed between the commissioner of human services and the Metropolitan Council to administer and coordinate human services programs and transportation services for individuals with disabilities and elderly individuals under section 473.386.

EFFECTIVE DATE. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 5. Minnesota Statutes 2017 Supplement, section 160.02, subdivision 1a, is amended to read:

Subd. 1a. **Bikeway.** "~~Bikeway~~" ~~means a bicycle lane, bicycle path, shared use path, bicycle route, or similar bicycle facility, regardless of whether designed for the exclusive use of bicycles or for shared use with other transportation modes~~ has the meaning given in section 169.011, subdivision 9.

Sec. 6. Minnesota Statutes 2016, section 160.295, subdivision 5, is amended to read:

Subd. 5. **Rural agricultural business or tourist-oriented business.** (a) A rural agricultural or tourist-oriented business serviced by a specific service sign must be open a minimum of eight hours per day, six days per week, and 12 months per year. However,

(b) A seasonal business may qualify if it is serviced by a specific service sign must be open eight hours per day and six days per week during the normal seasonal period.

(c) A farm winery serviced by a specific service sign must:

(1) be licensed under section 340A.315;

(2) be licensed by the Department of Health under section 157.16 or by the commissioner of agriculture under section 28A.04;

(3) provide continuous, staffed food service operation; and

(4) be open at least four hours per day and two days per week.

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

Sec. 7. Minnesota Statutes 2016, section 161.115, subdivision 111, is amended to read:

Subd. 111. **Route No. 180.** ~~Beginning at a point on Route No. 392 southwest or west of Ashby 3 at or near Erdahl, thence extending in a general northerly or northeasterly direction to a point on Route No. 153 as herein established at or near Ashby, thence extending in a northeasterly direction to a point on Route No. 181 as herein established at or near Ottetail.~~

Sec. 8. Minnesota Statutes 2016, section 161.14, is amended by adding a subdivision to read:

Subd. 87. **Specialist Noah Pierce Bridge.** The bridge on marked U.S. Highway 53 over marked Trunk Highway 37 in the city of Eveleth is designated as "Specialist Noah Pierce Bridge." Subject to section 161.139, the commissioner shall adopt a suitable design to mark this bridge and erect appropriate signs.

Sec. 9. Minnesota Statutes 2016, section 161.14, is amended by adding a subdivision to read:

Subd. 88. **Officer Bill Mathews Memorial Highway.** That segment of marked U.S. Highway 12 within the city limits of Wayzata is designated as "Officer Bill Mathews Memorial Highway." Subject to section 161.139, the commissioner shall adopt a suitable design to mark this highway and erect appropriate signs.

Sec. 10. Minnesota Statutes 2016, section 161.14, is amended by adding a subdivision to read:

Subd. 89. **Warrant Officer Dennis A. Groth Memorial Bridge.** The bridge on marked U.S. Highway 52 over Dakota County State-Aid Highway 42, known as 145th Street within the city of Rosemount, is designated as "Warrant Officer Dennis A. Groth Memorial Bridge." Subject to section 161.139, the commissioner shall adopt a suitable design to mark the bridge and erect appropriate signs.

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

Sec. 11. Minnesota Statutes 2016, section 161.14, is amended by adding a subdivision to read:

Subd. 90. **State Trooper Ray Krueger Memorial Highway.** That segment of marked Trunk Highway 210 within Cass County is designated as "State Trooper Ray Krueger Memorial Highway." Subject to section 161.139, the commissioner shall adopt a suitable design to mark this highway and erect appropriate signs in the vicinity of the location where Trooper Krueger died.

Sec. 12. Minnesota Statutes 2016, section 161.32, subdivision 2, is amended to read:

Subd. 2. **Direct negotiation.** In cases where the estimated cost of construction work or maintenance work does not exceed ~~\$150,000~~ \$250,000, the commissioner may enter into a contract for the work by direct negotiation, by obtaining two or more quotations for the work, and without advertising for bids or otherwise complying with the requirements of competitive bidding if the total contractual obligation of the state for the directly negotiated contract or contracts on any single project does not exceed ~~\$150,000~~ \$250,000. All quotations obtained shall be kept on file for a period of at least one year after receipt of the quotation.

Sec. 13. **[161.369] INDIAN EMPLOYMENT PREFERENCE.**

(a) As authorized by United States Code, title 23, section 140(d), the commissioner of transportation may implement an Indian employment preference for members of federally recognized tribes on projects carried out under United States Code, title 23, near an Indian reservation.

(b) For purposes of this section, a project is near a reservation if: (1) the project is within the distance a person seeking employment could reasonably be expected to commute to and from each work day; or (2) the commissioner, in consultation with federally recognized Minnesota tribes, determines a project is near an Indian reservation.

Sec. 14. Minnesota Statutes 2016, section 168.10, subdivision 1h, is amended to read:

Subd. 1h. **Collector military vehicle.** (a) A motor vehicle, including a truck, shall be listed and registered under this section if it meets the following conditions:

(1) it is at least 20 years old;

(2) its first owner following its manufacture was a branch of the armed forces of the United States and it presently conforms to the vehicle specifications required during the time of military ownership, or it has been restored and presently conforms to the specifications required by a branch of the armed forces for the model year that the restored vehicle could have been owned by that branch of the armed forces; and

(3) it is owned by a nonprofit organization and operated solely as a collector's vehicle. For purposes of this subdivision, "nonprofit organization" means a corporation, society, association, foundation, or institution organized and operated exclusively for historical or educational purposes, no part of the net earnings of which inures to the benefit of a private individual.

(b) The owner of the vehicle shall execute an affidavit stating the name and address of the person from whom purchased and of the new owner; the make, year, and model number of the motor vehicle; the manufacturer's identification number; and the collector military vehicle identification number, if any, located on the exterior of the vehicle. The affidavit must affirm that the vehicle is owned by a nonprofit organization and is operated solely as a collector's item and not for general transportation purposes. If the commissioner is satisfied that the affidavit is true and correct and the owner pays a \$25 tax and the plate fee authorized under section 168.12, the commissioner shall list the vehicle for taxation and registration and shall issue number plates. The number plates shall bear the inscriptions "Collector" and "Minnesota" and the registration number, but no date. The number plates are valid without renewal as long as the vehicle is in existence in Minnesota. The commissioner may revoke the plates for failure to comply with this subdivision.

(c) Notwithstanding section 168.09, 168.12, or other law to the contrary, the owner of a registered collector military vehicle is not required to display registration plates on the exterior of the vehicle if the vehicle has an exterior number identification that conforms to the identifying system for military vehicles in effect when the vehicle was last owned by the branch of the armed forces of the United States or in effect in the year to which the collector military vehicle has been restored. However, the state registration plates must be carried in or on the collector military vehicle at all times.

(d) The owner of a registered collector military vehicle that is not required to display registration plates under paragraph (c) may tow a registered trailer behind it. The trailer is not required to display registration plates if the trailer:

- (1) does not exceed a gross weight of 15,000 pounds;
- (2) otherwise conforms to registration, licensing, and safety laws and specifications;
- (3) conforms to military specifications for appearance and identification;
- (4) is intended to represent and does represent a military trailer; and
- (5) carries registration plates on or in the trailer or the collector military vehicle towing the trailer.

(e) This subdivision does not apply to a decommissioned military vehicle that (1) was also manufactured and sold as a comparable civilian vehicle, and (2) has the same size dimensions and vehicle weight as the comparable civilian vehicle. A decommissioned military vehicle under this paragraph is eligible for a motor vehicle title under chapter 168A and is subject to the same registration, insurance, and operating requirements as a motor vehicle.

Sec. 15. Minnesota Statutes 2016, section 168.101, subdivision 2a, is amended to read:

Subd. 2a. **Failure to send to registrar submit within ten days.** Any person who fails to mail in the application for registration or transfer with appropriate taxes and fees to the commissioner or a deputy registrar of motor vehicles, or otherwise fails to submit ~~said the~~ forms and remittance ~~to the registrar~~, within ten days following date of sale ~~shall be~~ is guilty of a misdemeanor.

EFFECTIVE DATE. This section is effective July 1, 2019.

Sec. 16. Minnesota Statutes 2016, section 168.127, subdivision 6, is amended to read:

Subd. 6. **Fee.** ~~Instead of the filing fee described in section 168.33, subdivision 7,~~ For each vehicle in the fleet, the applicant for fleet registration shall pay:

(1) the filing fee in section 168.33, subdivision 7, for transactions processed by a deputy registrar; or

(2) an equivalent administrative fee to the for transactions processed by the commissioner for each vehicle in the fleet, which is imposed in lieu of but in the same amount as the filing fee in section 168.33, subdivision 7.

EFFECTIVE DATE. This section is effective July 1, 2019.

Sec. 17. Minnesota Statutes 2016, section 168.326, is amended to read:

168.326 EXPEDITED DRIVER AND VEHICLE SERVICES; FEE.

(a) When an applicant requests and pays an expedited service fee of \$20, in addition to other specified and statutorily mandated fees and taxes, the commissioner or, if appropriate, a driver's license agent or deputy registrar, shall expedite the processing of an application for a driver's license, driving instruction permit, Minnesota identification card, or vehicle title transaction.

(b) A driver's license agent or deputy registrar may retain \$10 of the expedited service fee for each expedited service request processed by the licensing agent or deputy registrar.

(c) When expedited service is requested, materials must be mailed or delivered to the requester within three days of receipt of the expedited service fee excluding Saturdays, Sundays, or the holidays listed in section 645.44, subdivision 5. The requester shall comply with all relevant requirements of the requested document.

(d) The commissioner may decline to accept an expedited service request if it is apparent at the time it is made that the request cannot be granted. The commissioner must not decline an expedited service request and must not prevent a driver's license agent or deputy from accepting an expedited service request solely on the basis of limitations of the driver and vehicle services information technology system.

(e) The expedited service fees collected under this section for an application for a driver's license, driving instruction permit, or Minnesota identification card minus any portion retained by a licensing agent or deputy registrar under paragraph (b) must be paid into the driver services operating account in the special revenue fund specified under section 299A.705.

(f) The expedited service fees collected under this section for a transaction for a vehicle service minus any portion retained by a licensing agent or deputy registrar under paragraph (b) must be paid into the vehicle services operating account in the special revenue fund specified under section 299A.705.

EFFECTIVE DATE. This section is effective November 1, 2019.

Sec. 18. Minnesota Statutes 2016, section 168.33, is amended by adding a subdivision to read:

Subd. 8b. Transactions by mail. A deputy registrar may receive motor vehicle applications and submissions under this chapter and chapter 168A by mail, process the transactions, and retain the appropriate filing fee under subdivision 7.

EFFECTIVE DATE. This section is effective July 1, 2019.

Sec. 19. **[168.335] DEPUTY REGISTRAR REIMBURSEMENTS.**

Subdivision 1. **Reimbursement grants.** (a) By August 1 of a fiscal year in which funds are specifically made available for purposes of this section, the commissioner of management and budget must provide reimbursement grants to deputy registrars.

(b) The commissioner must use existing resources to administer the reimbursements.

Subd. 2. **Eligibility.** A deputy registrar office operated by the state is not eligible to receive funds under this section.

Subd. 3. **Aid distribution.** (a) The reimbursement grant to each deputy registrar, as identified by the Driver and Vehicle Services-designated office location number, is calculated as follows:

(1) 50 percent of available funds allocated proportionally based on (i) the number of transactions where a filing fee under section 168.33, subdivision 7, is retained by each deputy registrar during the preceding fiscal year, compared to (ii) the total number of transactions where a filing fee is retained by all deputy registrars during that time period; and

(2) 50 percent of available funds allocated proportionally based on (i) the number of transactions where a filing fee is retained by each deputy registrar from July 1, 2014, through June 30, 2017, compared to (ii) the total number of transactions where a filing fee is retained by all deputy registrars during that time period.

(b) For a deputy registrar appointed after July 1, 2014, the commissioner of management and budget must identify whether a corresponding discontinued deputy registrar appointment exists. If a corresponding discontinued deputy registrar is identified, the commissioner must include the transactions of the discontinued deputy registrar in the calculations under paragraph (a) for the deputy registrar appointed after July 1, 2014.

(c) For a deputy registrar appointed after July 1, 2014, for which paragraph (b) does not apply, the commissioner of management and budget must calculate that deputy registrar's proportional share under paragraph (a), clause (2), based on the average number of transactions where a filing fee is retained among the deputy registrars, as calculated excluding any deputy registrars for which this paragraph applies.

(d) In the calculations under paragraph (a), the commissioner of management and budget must exclude transactions for (1) a deputy registrar office operated by the state, and (2) a discontinued deputy registrar for which paragraph (b) does not apply.

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

Sec. 20. Minnesota Statutes 2016, section 168.345, subdivision 2, is amended to read:

Subd. 2. **Lessees; information.** The commissioner may not furnish information about registered owners of passenger automobiles who are lessees under a lease for a term of 180 days or more to any person except the personnel of law enforcement agencies ~~and~~, trade associations performing a member service under section 604.15, subdivision 4a, federal, state, and local governmental units, and, at the commissioner's discretion, to persons who use the information to notify lessees of automobile recalls. The commissioner may release information about lessees in the form of summary data, as defined in section 13.02, to persons who use the information in conducting statistical analysis and market research.

Sec. 21. Minnesota Statutes 2016, section 168A.02, subdivision 1, is amended to read:

Subdivision 1. **Application for certificate of title.** (a) Except as provided in section 168A.03, every owner of a vehicle which is in this state and for which no currently effective certificate of title has been issued in this state shall make application to the department for a certificate of title of the vehicle, pursuant to rules adopted by the department under section 168A.24, subdivision 2, clause ~~3~~ (3).

(b) A decommissioned military vehicle that (1) was also manufactured and sold as a comparable civilian vehicle, and (2) has the same size dimensions and vehicle weight as the comparable civilian vehicle, is eligible for a certificate of title under this chapter.

Sec. 22. Minnesota Statutes 2016, section 168A.151, subdivision 1, is amended to read:

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

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

- (1) is a vehicle that was acquired by an insurer through payment of damages;
- (2) is a vehicle for which the cost of repairs exceeds the value of the damaged vehicle; or
- (3) has an out-of-state salvage certificate of title as proof of ownership.

(c) A self-insured owner of a ~~late model or high value~~ vehicle that sustains damage by collision or other occurrence which exceeds 80 percent of its actual cash value shall immediately apply for a salvage certificate of title.

Sec. 23. Minnesota Statutes 2016, section 168A.29, subdivision 1, is amended to read:

Subdivision 1. **Amounts.** (a) The department must be paid the following fees:

- (1) for filing an application for and the issuance of an original certificate of title, ~~the sum of:~~
 - (i) ~~until December 31, 2016, \$6.25 of which \$3.25 must be paid into the vehicle services operating account of the special revenue fund under section 299A.705, and from July 1, 2012, to June 30, 2016, a surcharge of \$1 must be added to the fee and credited to the driver and vehicle services technology account; and~~
 - (ii) ~~on and after January 1, 2017, \$8.25, of which \$4.15 must be paid into the vehicle services operating account under section 299A.705;~~

(2) for each security interest when first noted upon a certificate of title, including the concurrent notation of any assignment thereof and its subsequent release or satisfaction, ~~the sum of~~ \$2, except that no fee is due for a security interest filed by a public authority under section 168A.05, subdivision 8;

~~(3) until December 31, 2016, for the transfer of the interest of an owner and the issuance of a new certificate of title, the sum of \$5.50 of which \$2.50 must be paid into the vehicle services operating account of the special revenue fund under section 299A.705, and from July 1, 2012, to June 30, 2016, a surcharge of \$1 must be added to the fee and credited to the driver and vehicle services technology account;~~

~~(4) (3) for each assignment of a security interest when first noted on a certificate of title, unless noted concurrently with the security interest, the sum of \$1; and~~

~~(5) (4) for issuing a duplicate certificate of title, the sum of \$7.25, of which \$3.25 must be paid into the vehicle services operating account of the special revenue fund under section 299A.705; from July 1, 2012, to June 30, 2016, a surcharge of \$1 must be added to the fee and credited to the driver and vehicle services technology account.~~

(b) In addition to the fee required under paragraph (a), clause (1), the department must be paid \$3.50. The additional \$3.50 fee collected under this paragraph must be deposited in the special revenue fund and credited to the public safety motor vehicle account established in section 299A.70.

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 24. Minnesota Statutes 2016, section 169.011, subdivision 5, is amended to read:

Subd. 5. **Bicycle lane.** "Bicycle lane" means a portion of a roadway ~~or shoulder~~ designed for exclusive or preferential use by persons using bicycles. Bicycle lanes are to be distinguished from the portion of the roadway ~~or shoulder~~ used for motor vehicle traffic by physical barrier, striping, marking, or other similar device.

Sec. 25. Minnesota Statutes 2016, section 169.011, subdivision 9, is amended to read:

Subd. 9. **Bikeway.** "Bikeway" means a bicycle lane, bicycle path, ~~or~~ bicycle route, shared use path, or similar bicycle facility, regardless of whether it is designed for the exclusive use of bicycles or ~~is to be for~~ shared use with other transportation modes.

Sec. 26. Minnesota Statutes 2016, section 169.011, subdivision 60, is amended to read:

Subd. 60. **Railroad train.** "Railroad train" means a steam engine, electric or other motor, with or without cars coupled thereto, operated upon rails, except streetcars. Railroad train includes on-track equipment or other rolling stock operated upon rails, whether the on-track equipment or rolling stock is self-propelled or coupled to another device.

Sec. 27. Minnesota Statutes 2016, section 169.18, subdivision 3, is amended to read:

Subd. 3. **Passing.** ~~The following rules shall govern the overtaking and passing of vehicles proceeding in the same direction, subject to the limitations, exceptions, and special rules hereinafter stated:~~

~~(1) (a) The driver of a vehicle overtaking another vehicle proceeding in the same direction shall must pass to the left thereof of the other vehicle at a safe distance and shall not again drive is prohibited from returning to the right side of the roadway until safely clear of the overtaken vehicle;~~

~~(2) (b) Except when overtaking and passing on the right is permitted, the driver of an overtaken vehicle shall must give way to the right in favor of the overtaking vehicle ~~on audible warning~~, and shall must not increase the speed of the overtaken vehicle until completely passed by the overtaking vehicle; and,~~

~~(3)~~ (c) The operator of a motor vehicle overtaking a bicycle or individual proceeding in the same direction on the roadway ~~shall leave or shoulder must:~~

(1) either (i) maintain a safe clearance distance while passing, but in no case less than three feet clearance, when passing the bicycle or individual or one-half the width of the motor vehicle, whichever is greater; or (ii) completely enter another lane of the roadway while passing; and shall

(2) maintain clearance until the motor vehicle has safely past passed the overtaken bicycle or individual.

Sec. 28. Minnesota Statutes 2016, section 169.222, subdivision 1, is amended to read:

Subdivision 1. **Traffic laws apply.** (a) Every person operating a bicycle ~~shall have~~ has all of the rights and duties applicable to the driver of any other vehicle by this chapter, except in respect to those provisions in this chapter relating expressly to bicycles and in respect to those provisions of this chapter which by their nature cannot reasonably be applied to bicycles. This subdivision applies to a bicycle operating on the shoulder of a roadway.

(b) A person lawfully operating a bicycle (1) on a sidewalk, or (2) across a roadway or shoulder on a crosswalk, has all the rights and duties applicable to a pedestrian under the same circumstances.

Sec. 29. Minnesota Statutes 2016, section 169.222, subdivision 4, is amended to read:

Subd. 4. **Riding rules.** (a) Every person operating a bicycle ~~upon a roadway shall~~ on a road must ride as close as ~~practicable~~ practicable to the right-hand curb or edge of the ~~roadway except under any of the following situations~~ road as the bicycle operator determines is safe. A person operating a bicycle is not required to ride as close to the right-hand curb when:

(1) ~~when~~ overtaking and passing another vehicle proceeding in the same direction;

(2) ~~when~~ preparing for a left turn at an intersection or into a private road or driveway;

(3) ~~when~~ reasonably necessary to avoid conditions that make it unsafe to continue along the right-hand curb or edge, including fixed or moving objects, vehicles, pedestrians, animals, surface hazards, or narrow width lanes, that make it unsafe to continue along the right hand curb or edge; or

(4) ~~when~~ operating on the shoulder of a roadway or in a bicycle lane; or

(5) operating in a right-hand turn lane before entering an intersection.

(b) If a bicycle is traveling on a shoulder of a roadway, the bicycle ~~shall~~ operator must travel in the same direction as adjacent vehicular traffic.

(c) Persons riding bicycles upon a roadway or shoulder shall not ride more than two abreast and shall not impede the normal and reasonable movement of traffic and, on a laned roadway, shall ride within a single lane.

(d) A person operating a bicycle upon a sidewalk, or across a roadway or shoulder on a crosswalk, shall yield the right-of-way to any pedestrian and shall give an audible signal when necessary before overtaking and passing any pedestrian. No person shall ride a bicycle upon a sidewalk within a business district unless permitted by local authorities. Local authorities may prohibit the operation of bicycles on any sidewalk or crosswalk under their jurisdiction.

(e) An individual operating a bicycle or other vehicle on a bikeway shall leave a safe distance when overtaking a bicycle or individual proceeding in the same direction on the bikeway, and shall maintain clearance until safely past the overtaken bicycle or individual.

~~(f) A person lawfully operating a bicycle on a sidewalk, or across a roadway or shoulder on a crosswalk, shall have all the rights and duties applicable to a pedestrian under the same circumstances.~~

~~(g)~~ (f) A person may operate an electric-assisted bicycle on the shoulder of a roadway, on a bikeway, or on a bicycle trail if not otherwise prohibited under section 85.015, subdivision 1d; 85.018, subdivision 2, paragraph (d); or 160.263, subdivision 2, paragraph (b), as applicable.

(g) Notwithstanding section 169.06, subdivision 4, a bicycle operator may cross an intersection proceeding from a dedicated right-hand turn lane without turning right.

Sec. 30. Minnesota Statutes 2016, section 169.26, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** (a) Except as provided in section 169.28, subdivision 1, when any person driving a vehicle approaches a railroad grade crossing under any of the circumstances stated in this paragraph, the driver shall stop the vehicle not less than ten feet from the nearest railroad track and shall not proceed until safe to do so and until the roadway is clear of traffic so that the vehicle can proceed without stopping until the rear of the vehicle is at least ten feet past the farthest railroad track. These requirements apply when:

- (1) a clearly visible electric or mechanical signal device warns of the immediate approach of a railroad train; or
- (2) an approaching railroad train is plainly visible and is in hazardous proximity.

(b) The fact that a moving railroad train approaching a railroad grade crossing is visible from the crossing is prima facie evidence that it is not safe to proceed.

(c) The driver of a vehicle shall stop and remain stopped and not traverse the grade crossing when a human flagger signals the approach or passage of a railroad train or when a crossing gate is lowered warning of the immediate approach or passage of a railroad train. No person may drive a vehicle past a flagger at a railroad crossing until the flagger signals that the way is clear to proceed or drive a vehicle past a lowered crossing gate.

Sec. 31. Minnesota Statutes 2016, section 169.28, is amended to read:

169.28 CERTAIN VEHICLES TO STOP AT RAILROAD CROSSING.

Subdivision 1. **Requirements.** (a) The driver of any motor vehicle carrying passengers for hire, or of any school bus whether carrying passengers or not, or of any Head Start bus whether carrying passengers or not, or of any vehicle that is required to stop at railroad grade crossings under Code of Federal Regulations, title 49, section 392.10, before crossing at grade any track or tracks of a railroad, shall stop the vehicle not less than 15 feet nor more than 50 feet from the nearest rail of the railroad and while so stopped shall listen and look in both directions along the track for any approaching railroad train, and for signals indicating the approach of a railroad train, except as ~~hereinafter~~ otherwise provided, and in this section. The driver shall not proceed until safe to do so and until the roadway is clear of traffic so that the vehicle can proceed without stopping until the rear of the vehicle is at least ten feet past the farthest railroad track. The driver must not shift gears while crossing the railroad tracks.

(b) A school bus or Head Start bus shall not be flagged across railroad grade crossings except at those railroad grade crossings that the local school administrative officer may designate.

(c) A type III vehicle, as defined in section 169.011, is exempt from the requirement of school buses to stop at railroad grade crossings.

(d) The requirements of this subdivision do not apply to the crossing of light rail vehicle track or tracks that are located in a public street when:

(1) the crossing occurs within the intersection of two or more public streets;

(2) the intersection is controlled by a traffic-control signal; and

(3) the intersection is marked with signs indicating to drivers that the requirements of this subdivision do not apply. Notwithstanding any other provision of law, the owner or operator of the track or tracks is authorized to place, maintain, and display the signs upon and in the view of the public street or streets.

Subd. 2. **Exempt crossing.** (a) The commissioner may designate a crossing as an exempt crossing:

(1) if the crossing is on a rail line on which service has been abandoned;

(2) if the crossing is on a rail line that carries fewer than five trains each year, traveling at speeds of ten miles per hour or less; or

(3) as agreed to by the operating railroad and the Department of Transportation, following a diagnostic review of the crossing.

(b) The commissioner shall direct the railroad to erect at the crossing signs bearing the word "Exempt" that conform to section 169.06. The installation or presence of an exempt sign does not relieve a driver of the duty to use due care.

(c) A railroad train must not proceed across an exempt crossing unless a police officer is present to direct traffic or a railroad employee is on the ground to warn traffic until the railroad train enters the crossing.

(~~e~~) (d) A vehicle that must stop at grade crossings under subdivision 1 is not required to stop at a marked exempt crossing unless directed otherwise by a police officer or a railroad employee.

Sec. 32. Minnesota Statutes 2016, section 169.29, is amended to read:

169.29 CROSSING RAILROAD TRACKS WITH CERTAIN EQUIPMENT.

(a) No person shall operate or move any caterpillar tractor, steam shovel, derrick, roller, or any equipment or structure having a normal operating speed of six or less miles per hour or a vertical body or load clearance of less than nine inches above the level surface of a roadway upon or across any tracks at a railroad grade crossing without first complying with this section.

(b) Before making any crossing, the person operating or moving any vehicle or equipment set forth in this section shall first stop the same not less than ten, nor more than 50, feet from the nearest rail of the railway, and while so stopped shall listen and look in both directions along the track for any approaching railroad train and for signals indicating the approach of a railroad train, and shall not proceed until the crossing can be made safely.

(c) No crossing shall be made when warning is given by automatic signal or crossing gates or a flagger or otherwise of the immediate approach of a railroad train or car.

(d) No stop need be made at a crossing on a rail line on which service has been abandoned and where a sign erected in conformance with section 169.06 and bearing the word "Exempt" has been installed, unless directed otherwise by a flagger. The installation or presence of an exempt sign shall not relieve any driver of the duty to use due care.

Sec. 33. Minnesota Statutes 2016, section 169.345, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For the purpose of section 168.021 and this section, the following terms have the meanings given them in this subdivision.

(b) "Health professional" means a licensed physician, licensed physician assistant, advanced practice registered nurse, licensed physical therapist, or licensed chiropractor.

(c) "Long-term certificate" means a certificate issued for a period greater than 12 months but not greater than 71 months.

(d) "Organization certificate" means a certificate issued to an entity other than a natural person for a period of three years.

(e) "Permit" refers to a permit that is issued for a period of 30 days, in lieu of the certificate referred to in subdivision 3, while the application is being processed.

(f) "Physically disabled person" means a person who:

(1) because of disability cannot walk without significant risk of falling;

(2) because of disability cannot walk 200 feet without stopping to rest;

(3) because of disability cannot walk without the aid of another person, a walker, a cane, crutches, braces, a prosthetic device, or a wheelchair;

(4) is restricted by a respiratory disease to such an extent that the person's forced (respiratory) expiratory volume for one second, when measured by spirometry, is less than one liter;

(5) has an arterial oxygen tension (PaO₂) of less than 60 mm/Hg on room air at rest;

(6) uses portable oxygen;

(7) has a cardiac condition to the extent that the person's functional limitations are classified in severity as class III or class IV according to standards set by the American Heart Association;

(8) has lost an arm or a leg and does not have or cannot use an artificial limb; or

(9) has a disability that would be aggravated by walking 200 feet under normal environmental conditions to an extent that would be life threatening.

(g) "Short-term certificate" means a certificate issued for a period greater than six months but not greater than 12 months.

(h) "Six-year certificate" means a certificate issued for a period of six years.

(i) "Temporary certificate" means a certificate issued for a period not greater than six months.

Sec. 34. Minnesota Statutes 2016, section 169.4503, subdivision 5, is amended to read:

Subd. 5. **Colors.** Fenderettes may be black. The beltline may be painted yellow over black or black over yellow. The rub rails ~~shall~~ must be black or yellow. The area around the lenses of alternately flashing signal lamps extending outward from the edge of the lamp three inches, plus or minus one-quarter inch, to the sides and top and at least one inch to the bottom, ~~shall~~ must be black. Visors or hoods, black in color, with a minimum of four inches may be provided.

Sec. 35. Minnesota Statutes 2016, section 169.81, is amended by adding a subdivision to read:

Subd. 11. **Automobile transporter.** (a) For purposes of this subdivision, the following terms have the meanings given them:

(1) "automobile transporter" means any vehicle combination designed and used to transport assembled highway vehicles, including truck camper units;

(2) "stinger-steered combination automobile transporter" means a truck tractor semitrailer having the fifth wheel located on a drop frame located behind and below the rear-most axle of the power unit; and

(3) "backhaul" means the return trip of a vehicle transporting cargo or general freight, especially when carrying goods back over all or part of the same route.

(b) Stinger-steered combination automobile transporters having a length of 80 feet or less may be operated on interstate highways and other highways designated in this section, and in addition may carry a load that extends the length by four feet or less in the front of the vehicle and six feet or less in the rear of the vehicle.

(c) An automobile transporter may transport cargo or general freight on a backhaul, provided it complies with weight limitations for a truck tractor and semitrailer combination under section 169.824.

Sec. 36. Minnesota Statutes 2016, section 169.8261, subdivision 2, is amended to read:

Subd. 2. **Conditions.** (a) A vehicle or combination of vehicles described in subdivision 1 must:

(1) comply with seasonal load restrictions in effect between the dates set by the commissioner under section 169.87, subdivision 2;

(2) comply with bridge load limits posted under section 169.84;

(3) be equipped and operated with six or more axles and brakes on all wheels;

(4) not exceed 90,000 pounds gross vehicle weight, or 99,000 pounds gross vehicle weight during the time when seasonal increases are authorized under section 169.826;

(5) not be operated on interstate highways;

(6) obtain an annual permit from the commissioner of transportation;

(7) obey all road postings; and

(8) not exceed 20,000 pounds gross weight on any single axle.

(b) A vehicle operated under this section may exceed the legal axle weight limits listed in section 169.824 by not more than 12.5 percent; except that, the weight limits may be exceeded by not more than 23.75 percent during the time when seasonal increases are authorized under section 169.826, subdivision 1.

(c) Notwithstanding paragraph (a), clause (5), a vehicle or combination of vehicles hauling raw or unfinished forest products may also operate on the segment of marked Interstate Highway 35 provided under United States Code, title 23, section 127(q)(2)(D).

Sec. 37. Minnesota Statutes 2017 Supplement, section 169.829, subdivision 4, is amended to read:

Subd. 4. **Certain emergency vehicles.** (a) The provisions of sections 169.80 to 169.88 governing size, weight, and load do not apply to a fire apparatus, a law enforcement special response vehicle, or a licensed land emergency ambulance service vehicle.

(b) Emergency vehicles designed to transport personnel and equipment to support the suppression of fires and to mitigate other hazardous situations are subject to the following weight limitations when operated on an interstate highway: (1) 24,000 pounds on a single steering axle; (2) 33,500 pounds on a single drive axle; (3) 52,000 pounds on a tandem rear drive steer axle; and (4) 62,000 pounds on a tandem axle. The gross weight of an emergency vehicle operating on an interstate highway must not exceed 86,000 pounds.

Sec. 38. Minnesota Statutes 2016, section 169.829, is amended by adding a subdivision to read:

Subd. 5. **Sewage septic tank trucks.** (a) Sections 169.823 and 169.826 to 169.828 do not apply to a sewage septic tank truck used exclusively to transport sewage from septic or holding tanks.

(b) The weight limitations under section 169.824 are increased by ten percent for a single-unit vehicle transporting sewage from the point of service to (1) another point of service, or (2) the point of unloading.

(c) Notwithstanding sections 169.824, subdivision 1, paragraph (d); 169.826, subdivision 3; or any other law to the contrary, a permit is not required to operate a vehicle under this subdivision.

(d) The seasonal weight increases under section 169.826, subdivision 1, do not apply to a vehicle operated under this subdivision.

(e) A vehicle operated under this subdivision is subject to bridge load limits posted under section 169.84.

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

Sec. 39. Minnesota Statutes 2016, section 169.87, subdivision 6, is amended to read:

Subd. 6. **Recycling and garbage vehicles.** (a) Except as provided in paragraph (b) While a vehicle is engaged in the type of collection the vehicle was designed to perform, weight restrictions imposed under subdivisions 1 and 2 do not apply to:

(1) a vehicle that does not exceed 20,000 pounds per single axle and is designed and used exclusively for recycling, while engaged in recycling operating in a political subdivision that mandates curbside recycling pickup;

(b) Weight restrictions imposed under subdivisions 1 and 2 do not apply to: (1) (2) a vehicle that does not exceed 14,000 pounds per single axle and is used exclusively for recycling as described in paragraph (a);

~~(2) (3)~~ a vehicle that does not exceed 14,000 pounds per single axle and is designed and used exclusively for collecting mixed municipal solid waste, as defined in section 115A.03, subdivision 21, ~~while engaged in such collection; or~~

~~(3) (4)~~ a portable toilet service vehicle that does not exceed 14,000 pounds per single axle or 26,000 pounds gross vehicle weight, and is designed and used exclusively for collecting liquid waste from portable toilets, ~~while engaged in such collection; or~~

(5) a sewage septic tank truck that is designed and used exclusively to haul sewage from septic or holding tanks.

~~(e) (b)~~ Notwithstanding section 169.80, subdivision 1, ~~a violation of the owner or operator of a vehicle that violates the weight restrictions imposed under subdivisions 1 and 2 by a vehicle designed and used exclusively for recycling while engaged in recycling in a political subdivision that mandates curbside recycling pickup while engaged in such collection, by a vehicle that is designed and used exclusively for collecting mixed municipal solid waste as defined in section 115A.03, subdivision 21, while engaged in such collection, or by a portable toilet service vehicle that is designed and used exclusively for collecting liquid waste from portable toilets, while engaged in such collection;~~ is not subject to criminal penalties but is subject to a civil penalty for excess weight under section 169.871 if the vehicle (1) meets the requirements under paragraph (a), and (2) is engaged in the type of collection the vehicle was designed to perform.

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

Sec. 40. Minnesota Statutes 2016, section 169.974, subdivision 2, is amended to read:

Subd. 2. **License endorsement and permit requirements.** (a) No person shall operate a motorcycle on any street or highway without having a valid driver's license with a two-wheeled vehicle endorsement as provided by law. A person may operate an autocycle without a two-wheeled vehicle endorsement, provided the person has a valid driver's license issued under section 171.02.

(b) The commissioner of public safety shall issue a two-wheeled vehicle endorsement only if the applicant (1) has in possession a valid two-wheeled vehicle instruction permit as provided in paragraph (c), (2) has passed a written examination and road test administered by the Department of Public Safety for the endorsement, and (3) in the case of applicants under 18 years of age, presents a certificate or other evidence of having successfully completed an approved two-wheeled vehicle driver's safety course in this or another state, in accordance with rules adopted by the commissioner of public safety for courses offered by a public, private, or commercial school or institute. The commissioner of public safety may waive the road test for any applicant on determining that the applicant possesses a valid license to operate a two-wheeled vehicle issued by a jurisdiction that requires a comparable road test for license issuance.

(c) The commissioner of public safety shall issue a two-wheeled vehicle instruction permit to any person over 16 years of age who (1) is in possession of a valid driver's license, (2) is enrolled in an approved two-wheeled vehicle driver's safety course, and (3) has passed a written examination for the permit and paid a fee prescribed by the commissioner of public safety. A two-wheeled vehicle instruction permit is effective for one year and may be renewed under rules prescribed by the commissioner of public safety.

(d) No person who is operating by virtue of a two-wheeled vehicle instruction permit shall:

(1) carry any passengers on the streets and highways of this state on the motorcycle while the person is operating the motorcycle;

(2) drive the motorcycle at night; or

~~(3) drive the motorcycle on any highway marked as an interstate highway pursuant to title 23 of the United States Code; or~~

(4) (3) drive the motorcycle without wearing protective headgear that complies with standards established by the commissioner of public safety.

(e) Notwithstanding paragraphs (a) to (d), the commissioner of public safety may issue a special motorcycle permit, restricted or qualified as the commissioner of public safety deems proper, to any person demonstrating a need for the permit and unable to qualify for a driver's license.

Sec. 41. Minnesota Statutes 2017 Supplement, section 171.06, subdivision 2, is amended to read:

Subd. 2. **Fees.** (a) The fees for a license and Minnesota identification card are as follows:

| | | | | |
|--|-----------|-----------|-----------|-----------|
| REAL ID Compliant or Noncompliant Classified Driver's License | D-\$17.25 | C-\$21.25 | B-\$28.25 | A-\$36.25 |
| REAL ID Compliant or Noncompliant Classified Under-21 D.L. | D-\$17.25 | C-\$21.25 | B-\$28.25 | A-\$16.25 |
| Enhanced Driver's License | D-\$32.25 | C-\$36.25 | B-\$43.25 | A-\$51.25 |
| REAL ID Compliant or Noncompliant Instruction Permit | | | | \$5.25 |
| Enhanced Instruction Permit | | | | \$20.25 |
| Commercial Learner's Permit | | | | \$2.50 |
| REAL ID Compliant or Noncompliant Provisional License | | | | \$8.25 |
| Enhanced Provisional License | | | | \$23.25 |
| Duplicate REAL ID Compliant or Noncompliant License or duplicate REAL ID Compliant or Noncompliant identification card | | | | \$6.75 |
| Enhanced Duplicate License or enhanced duplicate identification card | | | | \$21.75 |
| REAL ID Compliant or Noncompliant Minnesota identification card or REAL ID Compliant or Noncompliant Under-21 Minnesota identification card, other than duplicate, except as otherwise provided in section 171.07, subdivisions 3 and 3a | | | | \$11.25 |
| Enhanced Minnesota identification card | | | | \$26.25 |

~~In addition to each fee required in this paragraph, the commissioner shall collect a surcharge of: (1) \$1.75 until June 30, 2012; and (2) \$1.00 from July 1, 2012, to June 30, 2016. Surcharges collected under this paragraph must be credited to the driver and vehicle services technology account in the special revenue fund under section 299A.705.~~

(b) Notwithstanding paragraph (a), an individual who holds a provisional license and has a driving record free of (1) convictions for a violation of section 169A.20, 169A.33, 169A.35, sections 169A.50 to 169A.53, or section 171.177, (2) convictions for crash-related moving violations, and (3) convictions for moving violations that are not crash related, shall have a \$3.50 credit toward the fee for any classified under-21 driver's license. "Moving violation" has the meaning given it in section 171.04, subdivision 1.

(c) In addition to the driver's license fee required under paragraph (a), the commissioner shall collect an additional \$4 processing fee from each new applicant or individual renewing a license with a school bus endorsement to cover the costs for processing an applicant's initial and biennial physical examination certificate. The department shall not charge these applicants any other fee to receive or renew the endorsement.

(d) In addition to the fee required under paragraph (a), a driver's license agent may charge and retain a filing fee as provided under section 171.061, subdivision 4.

(e) In addition to the fee required under paragraph (a), the commissioner shall charge a filing fee at the same amount as a driver's license agent under section 171.061, subdivision 4. Revenue collected under this paragraph must be deposited in the driver services operating account.

(f) An application for a Minnesota identification card, instruction permit, provisional license, or driver's license, including an application for renewal, must contain a provision that allows the applicant to add to the fee under paragraph (a), a \$2 donation for the purposes of public information and education on anatomical gifts under section 171.075.

Sec. 42. **[174.13] TRANSPORTATION FACILITIES CAPITAL PROGRAM.**

Subdivision 1. Program established. (a) A transportation facilities capital program is established to prioritize among eligible projects that:

(1) support the programmatic mission of the department;

(2) extend the useful life of existing buildings; or

(3) renovate or construct facilities to meet the department's current and future operational needs.

(b) Projects under the transportation facilities capital program may be funded by proceeds from the sale of trunk highway bonds or from other funds appropriated for the purposes of this section.

Subd. 2. Accounts. (a) A transportation facilities capital account is established in the trunk highway fund. The account consists of all money made available from the trunk highway fund for the purposes of this section and any other money donated, allotted, transferred, or otherwise provided to the account by law. Money in the account is appropriated to the commissioner for the purposes specified and consistent with the standards and criteria set forth in this section.

(b) A transportation facilities capital account is established in the bond proceeds account of the trunk highway fund. The account consists of trunk highway bond proceeds appropriated to the commissioner for the transportation facilities capital program. Money in the account may only be expended on trunk highway purposes, which includes the purposes in this section.

Subd. 3. Standards. (a) The legislature finds that many projects for preservation and replacement of portions of existing capital assets constitute the construction, improvement, and maintenance of the public highway system within the meaning of the Minnesota Constitution, article XIV, section 11, and capital expenditures under generally accepted accounting principles as applied to public expenditures. Projects can be financed more efficiently and economically under the program than by direct appropriations for specific projects.

(b) When allocating funding under this section, the commissioner must review the projects deemed eligible under subdivision 4 and prioritize allocations using the criteria in subdivision 5. Money allocated to a specific project in an appropriation or other law must be allocated as provided by the law.

Subd. 4. **Eligible expenditures; limitations.** (a) A project is eligible under this section only if it is a capital expenditure on a capital building asset owned or to be owned by the state within the meaning of generally accepted accounting principles as applied to public expenditures.

(b) Capital budget expenditures that are eligible under this section include but are not limited to: (1) acquisition of land and buildings; and (2) the predesign, engineering, construction, furnishing and equipping of district headquarter buildings, truck stations, salt storage or other unheated storage buildings, deicing and anti-icing facilities, fuel dispensing facilities, highway rest areas, and vehicle weigh and inspection stations.

Subd. 5. **Criteria for priorities.** When prioritizing funding allocation among projects eligible under subdivision 4, the commissioner must consider:

(1) whether a project ensures the effective and efficient condition and operation of the facility;

(2) the urgency in ensuring the safe use of existing buildings;

(3) the project's total life-cycle cost;

(4) additional criteria for priorities otherwise specified in state law, statute, or rule that applies to a category listed in the act making an appropriation for the program; and

(5) any other criteria the commissioner deems necessary.

Sec. 43. Minnesota Statutes 2016, section 174.66, is amended to read:

174.66 CONTINUATION OF CARRIER RULES.

(a) Orders and directives in force, issued, or promulgated under authority of chapters 174A, 216A, 218, 219, 221, and 222 remain and continue in force and effect until repealed, modified, or superseded by duly authorized orders or directives of the commissioner of transportation. To the extent allowed under federal law or regulation, rules adopted under authority of the following sections are transferred to the commissioner of transportation and continue in force and effect until repealed, modified, or superseded by duly authorized rules of the commissioner:

(1) section 218.041 except rules related to the form and manner of filing railroad rates, railroad accounting rules, and safety rules;

(2) section 219.40;

(3) rules relating to rates or tariffs, or the granting, limiting, or modifying of permits under section 221.031, subdivision 1; and

~~(4) rules relating to rates, charges, and practices under section 221.161, subdivision 4; and~~

~~(5) rules relating to rates, tariffs, or the granting, limiting, or modifying of permits under section 221.121.~~

(b) The commissioner shall review the transferred rules, orders, and directives and, when appropriate, develop and adopt new rules, orders, or directives.

Sec. 44. Minnesota Statutes 2016, section 221.031, subdivision 2d, is amended to read:

Subd. 2d. **Hours of service exemptions; agricultural purposes.** The federal regulations incorporated in section 221.0314, subdivision 9, for ~~maximum driving and on-duty time,~~ hours of service do not apply to drivers engaged in intrastate transportation within a 150-air-mile radius from the source of the commodities, or from the retail or wholesale distribution point of the farm supplies, for:

(1) agricultural commodities; or

~~(2) farm supplies for agricultural purposes from March 15 to December 15 of each year; or,~~

~~(2) sugar beets from September 1 to May 15 of each year.~~

Sec. 45. Minnesota Statutes 2016, section 221.031, is amended by adding a subdivision to read:

Subd. 2f. **Hours of service exemptions; utility construction.** (a) The federal regulations incorporated in section 221.0314, subdivision 9, for hours of service do not apply to drivers engaged in intrastate transportation of utility construction materials within a 50-mile radius from the site of a construction or maintenance project.

(b) For purposes of this subdivision, utility construction materials includes supplies and materials used in a project to construct or maintain (1) a street or highway; (2) equipment or facilities to furnish electric transmission service; (3) a telecommunications system or cable communications system; (4) a waterworks system, sanitary sewer, or storm sewer; (5) a gas heating service line; (6) a pipeline; and (7) a facility for other similar utility service.

Sec. 46. Minnesota Statutes 2016, section 221.0314, subdivision 9, is amended to read:

Subd. 9. **Hours of service of driver.** (a) Code of Federal Regulations, title 49, part 395, is incorporated by reference, except that paragraphs (a), (c), (d), (f), (h), (i), ~~(k)~~, (m), and (n) of section 395.1 of that part are not incorporated. In addition, cross-references to sections or paragraphs not incorporated in this subdivision are not incorporated by reference.

(b) For purposes of Code of Federal Regulations, title 49, part 395.1, paragraph (k), the planting and harvest period for Minnesota is from January 1 through December 31 each year.

(c) The requirements of Code of Federal Regulations, title 49, part 395, do not apply to drivers of lightweight vehicles.

Sec. 47. Minnesota Statutes 2016, section 221.036, subdivision 1, is amended to read:

Subdivision 1. **Order.** The commissioner may issue an order requiring violations to be corrected and administratively assessing monetary penalties for a violation of (1) section 221.021; (2) section 221.033, subdivision 2b; (3) section 221.171; (4) section 221.141; (5) a federal, state, or local law, regulation, rule, or ordinance pertaining to railroad-highway grade crossings; or (6) rules of the commissioner relating to the transportation of hazardous waste, motor carrier operations, or insurance, ~~or tariffs and accounting.~~ An order must be issued as provided in this section.

Sec. 48. Minnesota Statutes 2016, section 221.036, subdivision 3, is amended to read:

Subd. 3. **Amount of penalty; considerations.** (a) The commissioner may issue an order assessing a penalty of up to \$5,000 for all violations identified during a single audit or investigation of (1) section 221.021, 221.141, or 221.171, or (2) rules of the commissioner relating to motor carrier operations, or insurance, ~~or tariffs and accounting, identified during a single inspection, audit, or investigation.~~

(b) The commissioner may issue an order assessing a penalty up to a maximum of \$10,000 for all violations of section 221.033, subdivision 2b, identified during a single inspection or audit.

(c) In determining the amount of a penalty, the commissioner shall consider:

(1) the willfulness of the violation;

(2) the gravity of the violation, including damage to humans, animals, air, water, land, or other natural resources of the state;

(3) the history of past violations, including the similarity of the most recent violation and the violation to be penalized, the time elapsed since the last violation, the number of previous violations, and the response of the person to the most recent violation identified;

(4) the economic benefit gained by the person by allowing or committing the violation; and

(5) other factors as justice may require, if the commissioner specifically identifies the additional factors in the commissioner's order.

(d) The commissioner shall assess a penalty in accordance with Code of Federal Regulations, title 49, section 383.53, against:

(1) a driver who is convicted of a violation of an out-of-service order;

(2) an employer who knowingly allows or requires an employee to operate a commercial motor vehicle in violation of an out-of-service order; or

(3) an employer who knowingly allows or requires an employee to operate a commercial motor vehicle in violation of a federal, state, or local law or regulation pertaining to railroad-highway grade crossings.

Sec. 49. Minnesota Statutes 2016, section 221.122, subdivision 1, is amended to read:

Subdivision 1. **Registration, insurance, and filing requirements.** (a) An order issued by the commissioner which grants a certificate or permit must contain a service date.

(b) The person to whom the order granting the certificate or permit is issued shall do the following within 45 days from the service date of the order:

(1) register vehicles which will be used to provide transportation under the permit or certificate with the commissioner and pay the vehicle registration fees required by law; and

(2) file and maintain insurance or bond as required by section 221.141 and rules of the commissioner; ~~and,~~

~~(3) file rates and tariffs as required by section 221.161 and rules of the commissioner.~~

Sec. 50. Minnesota Statutes 2016, section 221.161, subdivision 1, is amended to read:

Subdivision 1. ~~Filing; hearing upon commissioner initiative~~ **Tariff maintenance and contents.** A household goods carrier ~~shall file and mover must maintain with the commissioner~~ a tariff showing rates and charges for transporting household goods. ~~Tariffs must be prepared and filed in accordance with the rules of the commissioner. When tariffs are filed in accordance with the rules and accepted by the commissioner, the filing constitutes notice to~~

~~the public and interested parties of the contents of the tariffs. The commissioner shall not accept for filing tariffs that are unjust, unreasonable, unjustly discriminatory, unduly preferential or prejudicial, or otherwise in violation of this section or rules adopted under this section. If the tariffs appear to be unjust, unreasonable, unjustly discriminatory, unduly preferential or prejudicial, or otherwise in violation of this section or rules adopted under this section, after notification and investigation by the department, the commissioner may suspend and postpone the effective date of the tariffs and assign the tariffs for hearing upon notice to the household goods carrier filing the proposed tariffs and to other interested parties, including users of the service and competitive carriers by motor vehicle and rail. At the hearing, the burden of proof is on the household goods carrier filing the proposed tariff to sustain the validity of the proposed schedule of rates and charges. The tariffs and subsequent supplements to them or reissues of them must state the effective date, which may not be less than ten days following the date of filing, unless the period of time is reduced by special permission of the commissioner. A household goods mover must prepare a tariff under this section that complies with Code of Federal Regulations, title 49, part 1310.3.~~

Sec. 51. Minnesota Statutes 2016, section 221.161, is amended by adding a subdivision to read:

Subd. 5. **Tariff availability.** (a) A household goods mover subject to this section must maintain all of its effective tariffs at its principal place of business and at each of its terminal locations, and must make the tariffs available to the public for inspection at all times the household goods mover is open for business. Any publication referred to in a tariff must be maintained with that tariff.

(b) Upon request, a household goods mover must provide copies of tariffs, specific tariff provisions, or tariff subscriptions to the commissioner or any interested person.

Sec. 52. Minnesota Statutes 2016, section 221.171, subdivision 1, is amended to read:

Subdivision 1. **Compensation fixed by schedule on file.** ~~No~~ A household goods carrier shall mover must not charge or receive a greater, lesser, or different compensation for the transportation of persons or property or for related service, provided than the rates and charges named in the carrier's schedule on file and in effect with the commissioner including any rate fixed by the commissioner specified in the tariff under section 221.161; nor shall. A household goods ~~carrier~~ mover must not refund or remit in any manner or by any device, directly or indirectly, the rates and charges required to be collected by the ~~carrier~~ mover under the ~~carrier's~~ mover's schedules ~~or under the rates, if any, fixed by the commissioner.~~

Sec. 53. Minnesota Statutes 2016, section 222.46, is amended to read:

222.46 FREIGHT RAIL SERVICE IMPROVEMENT ACT; PURPOSE.

The legislature finds and determines that integrated transportation systems, including railways, highways and airways, are necessary in order to meet the economic and energy needs of the citizens of the state, both now and in the future. The legislature finds that a portion of the present railroad system in the state does not provide adequate service to citizens of the state. The legislature further finds and determines that it is in the best interest of the state to establish and fund a freight rail service improvement economic development program and to establish a railroad planning process in order to preserve and improve essential rail service in the state.

EFFECTIVE DATE. This section is effective June 30, 2018.

Sec. 54. Minnesota Statutes 2016, section 222.50, subdivision 3, is amended to read:

Subd. 3. **Commissioner's powers; rules.** The commissioner ~~shall have~~ has the power to:

~~(1) set priorities for the allocation and expenditure of money or in kind contributions authorized under the rail service improvement program and develop criteria for eligibility and approval of projects under the program. The criteria shall include the anticipated economic and social benefits to the state and to the area being served and the economic viability of the project;~~

~~(2)~~ negotiate and enter into contracts for rail line rehabilitation or other rail service improvement;

~~(3)~~ (2) disburse state and federal money for rail service improvements; and

~~(4)~~ (3) adopt rules necessary to carry out the purposes of sections 222.46 to 222.54.

EFFECTIVE DATE. This section is effective June 30, 2018.

Sec. 55. Minnesota Statutes 2016, section 222.50, subdivision 4, is amended to read:

Subd. 4. **Contract.** The commissioner may negotiate and enter into contracts for the purpose of rail service improvement and may incorporate funds available from the federal government. The participants in these contracts shall be railroads, rail users, and the department, and may be political subdivisions of the state and the federal government. In such contracts, participation by all parties shall be voluntary. The commissioner may provide a portion of the money required to carry out the terms of any such contract by expenditure from the freight rail service improvement account.

EFFECTIVE DATE. This section is effective June 30, 2018.

Sec. 56. **[222.505] FREIGHT RAIL ECONOMIC DEVELOPMENT PROGRAM.**

Subdivision 1. **Definition.** (a) For purposes of this section, "program" means the freight rail economic development program established in this section.

Subd. 2. **Program established.** (a) The commissioner, in consultation with the commissioner of employment and economic development, must establish a freight rail economic development program as provided under this section.

(b) By January 1, 2019, the commissioners must implement the program and begin accepting applications.

Subd. 3. **Freight rail accounts; appropriation.** (a) A freight rail account is established in the special revenue fund. The account consists of funds provided under paragraphs (b) and (c), section 222.63, subdivision 8, and any other money donated, allotted, transferred, or otherwise provided to the account. The account must not include any bond proceeds authorized by the Minnesota Constitution, article XI, section 5, clause (i). Funds in the account are annually appropriated to the commissioner for the program under this section.

(b) All funds provided to the commissioner from agreements or loans under section 222.50 must be deposited in the freight rail account in the special revenue fund.

(c) All funds made available to the commissioner from the disposition of railroad right-of-way or of any other property acquired pursuant to sections 222.46 to 222.62 must be deposited in the freight rail account in the special revenue fund.

(d) A freight rail account is established in the bond proceeds fund. The account consists of state bond proceeds appropriated to the commissioner for the program under this section. Money in the account may be expended only for bond-eligible purposes.

Subd. 4. **Program administration.** (a) The commissioner, in consultation with the commissioner of employment and economic development, must establish a project selection process for financial assistance under the program. The process must include public notice of available funds, procedures to submit applications, public access to information on project evaluation and selection, and financial assistance awards. The process must minimize applicant burdens and the length of time for application evaluation.

(b) The commissioner must maintain on an ongoing basis a project requests list that identifies all eligible projects that have been evaluated for grant awards under the program.

(c) An applicant must apply for financial assistance in the manner and at the times determined by the commissioners.

(d) The commissioner must make reasonable efforts to (1) publicize each solicitation for applications among all eligible recipients, and (2) provide technical and informational assistance related to applications.

Subd. 5. **Consultation.** In developing the program and on an ongoing basis, the commissioner must consult with eligible recipients of financial assistance under subdivision 8 and with counties and statutory and home rule charter cities in which industrial parks are located or proposed to be located. At a minimum, consultation must address:

(1) the project selection process, including project eligibility requirements, evaluation criteria and prioritization, and any significant policies in the program;

(2) flexibility of evaluation criteria to address unique situations;

(3) timeliness of project evaluation and award of financial assistance;

(4) adequacy of the program funding level; and

(5) legislative proposals for program funding.

Subd. 6. **Financial assistance; grants and loans.** The commissioner may provide financial assistance under the program through grants or through loans in the manner provided under section 222.50, subdivisions 4 and 5.

Subd. 7. **Financial assistance; limitations.** (a) When calculated in conjunction with any other state funding sources, a grant award under the program must not provide combined state funding that exceeds 85 percent of the total project cost estimate.

(b) The commissioner must ensure that financial assistance is provided in a manner that is balanced throughout the state, including with respect to (1) the number of projects receiving funding in a particular geographic location or region of the state, and (2) the total amount of financial assistance provided for projects in a particular geographic location or region of the state.

Subd. 8. **Award recipient eligibility.** (a) Eligible recipients of financial assistance under the program are:

(1) railroad companies that are classified by federal law or regulation as Class II railroads, Class II rail carriers, Class III railroads, or Class III rail carriers;

(2) rail users; and

(3) political subdivisions.

(b) An eligible recipient may receive funds regardless of rail facility ownership.

Subd. 9. **Project eligibility.** (a) The commissioner, in consultation with the commissioner of employment and economic development, must establish project eligibility criteria under the program. At a minimum, an eligible project must:

(1) improve safety, efficiency, service, or capacity of railroad freight movement;

(2) provide for rail line capital maintenance, preservation, rehabilitation, or improvements;

(3) improve rail service for a rail user or rail carrier; or

(4) promote the development of industrial parks primarily or substantially served by rail service.

(b) A project must be consistent with transportation plans adopted by the commissioner, including the statewide freight and passenger rail plan under section 174.03, subdivision 1b.

Subd. 10. **Project evaluation and prioritization.** The commissioner, in consultation with the commissioner of employment and economic development, must establish project evaluation criteria for grant awards under the program. At a minimum, the criteria must objectively prioritize projects based on:

(1) economic and employment impacts, including but not limited to responsiveness to emergent market conditions;

(2) addressing rail lines that have deteriorated or are in danger of deteriorating to such a degree that the rail line is unable to carry the speeds and weights necessary to efficiently transport goods and products; and

(3) percentage commitment of funding or in-kind assistance for the project from nonpublic sources.

Subd. 11. **Expenditures.** The commissioner may provide financial assistance and expend funds under the program for:

(1) capital improvement projects designed to improve a rail user or a rail carrier's rail service which includes but is not limited to rail track, track structures, and rail facilities and buildings;

(2) rehabilitation projects designed to improve a rail user or a rail carrier's rail service;

(3) rail-related development of industrial parks primarily or substantially served by rail service, which:

(i) includes capital improvements to or rehabilitation of main industrial lead track; and

(ii) excludes siding track designed to serve areas of an industrial park for which occupants are unidentified or uncommitted;

(4) highway-rail grade crossing improvement or grade separation projects, including but not limited to the local matching portion for federal grants;

(5) capital improvement projects designed to improve capacity or safety at rail yards;

(6) acquisition, maintenance, management, and disposition of railroad right-of-way under the state rail bank program in section 222.63;

(7) acquisition of a rail line by a regional railroad authority established under chapter 398A;

(8) rail planning studies;

(9) costs related to contractual agreements under section 222.52; and

(10) financial assistance under this section.

Subd. 12. **Design, engineering, and construction standards.** (a) The commissioner is prohibited from establishing specifications or engineering standards that are more restrictive than federal track safety standards under Code of Federal Regulations, title 49, part 213, or successor requirements, for track and track structures awarded financial assistance under the program.

(b) Sections 16B.30 to 16B.355 do not apply to rail facilities and buildings awarded financial assistance under the program.

Subd. 13. **Political subdivisions.** Any political subdivision may, with the approval of the commissioner, appropriate money for freight rail or rail service improvement and may participate in the freight rail economic development program and federal rail programs.

EFFECTIVE DATE. This section is effective June 30, 2018.

Sec. 57. Minnesota Statutes 2016, section 222.52, is amended to read:

222.52 COOPERATION BETWEEN STATES.

The commissioner may cooperate with other states in connection with the freight rail service improvement economic development program under section 222.505 and the railroad planning process. In exercising the authority conferred by this section, the commissioner may enter into contractual agreements with other states, including multistate coalitions.

EFFECTIVE DATE. This section is effective June 30, 2018.

Sec. 58. Minnesota Statutes 2016, section 222.57, is amended to read:

222.57 RAIL USER AND RAIL CARRIER LOAN GUARANTEE ACCOUNT.

There is created a rail user and rail carrier loan guarantee account as a separate account in the rail service improvement account, which shall be used by the commissioner for carrying out the provisions of sections 222.55 to 222.62 with respect to loans insured under section 222.58. The commissioner may transfer to the rail user and rail carrier loan guarantee account from money otherwise available in the freight rail service improvement account whatever amount is necessary to implement the rail user and rail carrier loan guarantee program, except that bond proceeds may not be transferred to the account for insurance of loans made for the purposes specified in section 222.58, subdivision 2, paragraph (b), clauses (3) to (5). The commissioner may withdraw any amount from the rail user and rail carrier loan guarantee account that is not required to insure outstanding loans as provided in section 222.60, subdivision 1.

EFFECTIVE DATE. This section is effective June 30, 2018.

Sec. 59. Minnesota Statutes 2016, section 222.63, subdivision 8, is amended to read:

Subd. 8. **Rail bank accounts; appropriation.** ~~(a) A special account shall be maintained in the state treasury, designated as the rail bank maintenance account, is established in the special revenue fund~~ to record the receipts and expenditures of the commissioner of transportation for the maintenance of rail bank property. Funds received by the commissioner of transportation from interest earnings, administrative payments, rentals, fees, or charges for the use of rail bank property, or received from rail line rehabilitation contracts ~~shall be~~ are credited to the rail bank maintenance account and must be used for the maintenance of that to maintain the property and held as a reserve for maintenance expenses in an amount determined by the commissioner, ~~and~~. Amounts received in the rail bank maintenance account in excess of the reserve requirements ~~shall~~ must be transferred to the freight rail service improvement account under section 222.505, subdivision 3.

(b) All proceeds of the sale of abandoned rail lines ~~shall~~ must be deposited in the freight rail service improvement account.

(c) All money ~~to be~~ deposited in ~~this the rail service improvement bank maintenance~~ account as provided in this subdivision is appropriated to the commissioner of transportation for the purposes of this section. The appropriations ~~shall do~~ not lapse ~~but shall be and are~~ available until the purposes for which the funds are appropriated are accomplished.

EFFECTIVE DATE. This section is effective June 30, 2018.

Sec. 60. Minnesota Statutes 2016, section 297A.993, is amended by adding a subdivision to read:

Subd. 2a. **Reporting.** (a) Annually by March 1, a county that imposes a tax under this section and previously imposed a local sales tax as part of a joint powers agreement under section 297A.992 must submit a report on the use of funds to the members and staff of the legislative committees with jurisdiction over transportation policy and finance.

(b) At a minimum, the report must identify:

(1) the amount of revenue under this section in each of the previous three years;

(2) a breakdown of expenditures for each of the previous three years, including but not limited to a summary list of funded projects or operations;

(3) the balance in available funds as of the end of previous year; and

(4) any projects funded under this section and completed in the previous year.

Sec. 61. **[299A.704] DRIVER AND VEHICLE SERVICES FUND.**

A driver and vehicle services fund is established within the state treasury. The fund consists of accounts and money as specified by law, and any other money otherwise donated, allotted, appropriated, or legislated to the fund.

Sec. 62. Minnesota Statutes 2016, section 299A.705, is amended to read:

299A.705 DRIVER AND VEHICLE SERVICES ACCOUNTS.

Subdivision 1. **Vehicle services operating account.** (a) The vehicle services operating account is created in the ~~special revenue driver and vehicle services fund~~, consisting of all money from the vehicle services fees specified in chapters 168, 168A, and 168D, and any other money otherwise donated, allotted, appropriated, or legislated to ~~this~~ the account.

(b) Funds appropriated ~~are available from this account must be used by the commissioner of public safety to~~ administer the vehicle services as specified in chapters 168, 168A, and 168D, and section 169.345, including:

- (1) designing, producing, issuing, and mailing vehicle registrations, plates, emblems, and titles;
- (2) collecting title and registration taxes and fees;
- (3) transferring vehicle registration plates and titles;
- (4) maintaining vehicle records;
- (5) issuing disability certificates and plates;
- (6) licensing vehicle dealers;
- (7) appointing, monitoring, and auditing deputy registrars; and
- (8) inspecting vehicles when required by law.

Subd. 2. **Driver services operating account.** (a) The driver services operating account is created in the ~~special revenue~~ driver and vehicle services fund, consisting of all money collected under chapter 171 and any other money otherwise donated, allotted, appropriated, or legislated to the account.

(b) ~~Money in the~~ Funds appropriated from this account must be used by the commissioner of public safety to administer the driver services specified in chapters 169A and 171, including the activities associated with producing and mailing drivers' licenses and identification cards and notices relating to issuance, renewal, or withdrawal of driving and identification card privileges for any fiscal year or years and for the testing and examination of drivers.

Subd. 3. **Driver and vehicle services technology account.** (a) The driver and vehicle services technology account is created in the ~~special revenue~~ driver and vehicle services fund, consisting of the technology surcharge collected as specified in ~~chapters 168, 168A, and 171; the filing fee revenue collected under section 168.33, subdivision 7; section 168.33~~ and any other money otherwise donated, allotted, appropriated, or legislated to this account.

(b) Money in the account is annually appropriated to the commissioner of public safety to support the research, development, deployment, and maintenance of a driver and vehicle services information system.

(c) Following completion of the deposit of filing fee revenue into the driver and vehicle services technology account as provided under section 168.33, subdivision 7, the commissioner shall submit a notification to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance concerning driver and vehicle services information system implementation, which must include information on (1) total revenue deposited in the driver and vehicle services technology account, with a breakdown by sources of funds; (2) total project costs incurred, with a breakdown by key project components; and (3) an estimate of ongoing system maintenance costs.

Subd. 4. **Prohibited expenditures.** The commissioner is prohibited from expending money from driver and vehicle services accounts created in the ~~special revenue~~ driver and vehicle services fund for any purpose that is not specifically authorized in this section or in the chapters specified in this section.

Sec. 63. Minnesota Statutes 2016, section 360.013, is amended by adding a subdivision to read:

Subd. 46a. **Comprehensive plan.** "Comprehensive plan" has the meaning given in section 394.22, subdivision 9, or 462.352, subdivision 5.

Sec. 64. Minnesota Statutes 2016, section 360.017, subdivision 1, is amended to read:

Subdivision 1. **Creation; authorized disbursements.** (a) There is hereby created a fund to be known as the state airports fund. The fund shall consist of all money appropriated to it, or directed to be paid into it, by the legislature.

(b) The state airports fund shall be paid out on authorization of the commissioner and shall be used:

(1) to acquire, construct, improve, maintain, and operate airports and other air navigation facilities;

(2) to assist municipalities in the planning, acquisition, construction, improvement, and maintenance of airports and other air navigation facilities;

(3) to assist municipalities to initiate, enhance, and market scheduled air service at their airports;

(4) to promote interest and safety in aeronautics through education and information; and

(5) to pay the salaries and expenses of the Department of Transportation related to aeronautic planning, administration, and operation. All allotments of money from the state airports fund for salaries and expenses shall be approved by the commissioner of management and budget.

~~(c) A municipality that adopts a comprehensive plan that the commissioner finds is incompatible with the state aviation plan is not eligible for assistance from the state airports fund.~~

Sec. 65. Minnesota Statutes 2016, section 360.021, subdivision 1, is amended to read:

Subdivision 1. **Authority to establish.** The commissioner is authorized and empowered, on behalf of and in the name of this state, within the limitation of available appropriations, to acquire, by purchase, gift, devise, lease, condemnation proceedings, or otherwise, property, real or personal, for the purpose of establishing and constructing restricted landing areas and other air navigation facilities and to acquire in like manner, own, control, establish, construct, enlarge, improve, maintain, equip, operate, regulate, and police such restricted landing areas and other air navigation facilities, either within or without this state; and to make, prior to any such acquisition, investigations, surveys, and plans. The commissioner may maintain, equip, operate, regulate, and police airports, either within or without this state. The operation and maintenance of airports is an essential public service. The commissioner may maintain at such airports facilities for the servicing of aircraft and for the comfort and accommodation of air travelers. The commissioner may dispose of any such property, airport, restricted landing area, or any other air navigation facility, by sale, lease, or otherwise, in accordance with the laws of this state governing the disposition of other like property of the state. The commissioner may not acquire or take over any restricted landing area, or other air navigation facility without the consent of the owner. The commissioner shall not acquire any additional state airports nor establish any additional state-owned airports. The commissioner may erect, equip, operate, and maintain on any airport buildings and equipment necessary and proper to maintain, and conduct such airport and air navigation facilities connected therewith. The commissioner shall not expend money for land acquisition, or for the construction, improvement, or maintenance of airports, or for air navigation facilities for an airport, unless the governmental unit municipality, county, or joint airport zoning board involved has or is establishing a zoning authority for that airport, and the authority has made a good-faith showing that it is in the process of and will complete with due diligence, an airport zoning ordinance in accordance with sections 360.061 to 360.074. The

commissioner may provide funds to support airport safety projects that maintain existing infrastructure, regardless of a zoning authority's efforts to complete a zoning regulation. The commissioner may withhold funding from only the airport subject to the proposed zoning ordinance. Notwithstanding the foregoing prohibition, the commissioner may continue to maintain the state-owned airport at Pine Creek.

Sec. 66. Minnesota Statutes 2016, section 360.062, is amended to read:

360.062 AIRPORT HAZARD PREVENTION; PROTECTING EXISTING NEIGHBORHOOD LAND USES.

(a) It is hereby found that an airport hazard endangers the lives and property of users of the airport and of occupants of land in its vicinity, and may reduce the size of the area available for the landing, takeoff, and maneuvering of aircraft, thereby impairing the utility of the airport and the public investment therein. It is also found that the social and financial costs of disrupting existing land uses around airports ~~in built-up urban areas, particularly established residential neighborhoods,~~ often outweigh the benefits of a reduction in airport hazards that might result from the elimination or removal of those uses.

(b) Accordingly, it is hereby declared: (1) ~~that~~ the creation or establishment of an airport hazard is a public nuisance and an injury to the community served by the airport in question; (2) ~~that~~ it is ~~therefor~~ necessary in the interest of the public health, public safety, and general welfare that the creation or establishment of airport hazards be prevented and that this should be accomplished to the extent legally possible, by exercise of the police power, without compensation; and (3) ~~that~~ the elimination or removal of existing land uses, ~~particularly established residential neighborhoods in built-up urban areas,~~ or their designation as nonconforming uses is not in the public interest and should be avoided whenever possible consistent with reasonable standards of safety.

(c) It is further declared that the prevention of the creation or establishment of airport hazards and the elimination, removal, alteration, mitigation, or marking and lighting of existing airport hazards are essential public purposes services for which political subdivisions may raise and expend public funds and acquire land or property interests therein.

Sec. 67. Minnesota Statutes 2016, section 360.063, subdivision 1, is amended to read:

Subdivision 1. **Enforcement under police power.** (a) In order to prevent the creation or establishment of airport hazards, every municipality having an airport hazard area within its territorial limits may, unless a joint airport zoning board is permitted under subdivision 3, adopt, amend from time to time, administer, and enforce, under the police power and in the manner and upon the conditions hereinafter prescribed, airport zoning regulations for such airport hazard area, which regulations may divide such area into zones, and, within such zones, specify the land uses permitted and regulate and restrict the height to which structures and trees may be erected or allowed to grow.

(b) ~~For the purpose of promoting~~ In order to promote health, safety, order, convenience, prosperity, general welfare and ~~for conserving~~ to conserve property values and ~~encouraging~~ encourage the most appropriate use of land, the municipality may regulate ~~the location, size and use of buildings and the density of population in that portion of an airport hazard area under approach zones for a distance not to exceed two miles from the airport boundary and in other portions of an in~~ an airport hazard area ~~may regulate by land use zoning for a distance not to exceed one mile from the airport boundary, and by height restriction zoning for a distance not to exceed 1 1/2 miles from the airport boundary areas:~~ (1) land use; (2) height restrictions; (3) the location, size, and use of buildings; and (4) the density of population.

(c) The powers granted by this subdivision may be exercised by metropolitan airports commissions in contiguous cities of the first class in and for which they have been created.

(d) In the case of airports owned or operated by the state of Minnesota such powers shall be exercised by the state airport zoning boards or by the commissioner of transportation as authorized herein.

Sec. 68. Minnesota Statutes 2016, section 360.063, subdivision 3, is amended to read:

Subd. 3. **Joint airport zoning board.** (a) Where an airport is owned or controlled by a municipality and an airport hazard area appertaining to the airport is located within the territorial limits of another county or municipality, the municipality owning or controlling the airport may request a county or municipality in which an airport hazard area is located:

(1) to adopt and enforce airport zoning regulations for the area in question ~~that conform to standards prescribed by the commissioner pursuant to subdivision 4~~ under sections 360.0655 and 360.0656; or

(2) to join in creating a joint airport zoning board pursuant to paragraph (b). The owning or controlling municipality shall determine which of these actions it shall request, except as provided in paragraph (e) for the Metropolitan Airports Commission. The request shall be made by certified mail to the governing body of each county and municipality in which an airport hazard area is located.

(b) Where an airport is owned or controlled by a municipality and an airport hazard area appertaining to the airport is located within the territorial limits of another county or municipality, the municipality owning or controlling the airport and the county or other municipality within which the airport hazard area is located may, by ordinance or resolution duly adopted, create a joint airport zoning board, which board shall have the same power to adopt, administer, and enforce airport zoning regulations applicable to the airport hazard area in question as that vested by subdivision 1 in the municipality within which the area is located. A joint board shall have as members two representatives appointed by the municipality owning or controlling the airport and two from the county or municipality, or in case more than one county or municipality is involved two from each county or municipality, in which the airport hazard is located, and in addition a chair elected by a majority of the members so appointed. All members shall serve at the pleasure of their respective appointing authority. Notwithstanding any other provision of law to the contrary, if the owning and controlling municipality is a city of the first class it shall appoint four members to the board, and the chair of the board shall be elected from the membership of the board.

(c) If a county or municipality, within 60 days of receiving a request from an owning or controlling municipality pursuant to paragraph (a), fails to adopt, or thereafter fails to enforce, the zoning regulations or fails to join in creating a joint airport zoning board, the owning or controlling municipality, or a joint airport zoning board created without participation by the subdivisions which fail to join the board, may itself adopt, administer, and enforce airport zoning regulations for the airport hazard area in question. In the event of conflict between the regulations and airport zoning regulations adopted by the county or municipality within which the airport hazard area is located, section 360.064, subdivision 2, applies.

(d) "Owning or controlling municipality," as used in this subdivision, includes:

(1) a joint airport operating board created pursuant to section 360.042 that has been granted all the powers of a municipality in zoning matters under the agreement creating the board;

(2) a joint airport operating board created pursuant to section 360.042 that has not been granted zoning powers under the agreement creating the board; provided that the board shall not itself adopt zoning regulations nor shall a joint airport zoning board created at its request adopt zoning regulations unless all municipalities that created the joint operating board join to create the joint zoning board; and

(3) the Metropolitan Airports Commission established and operated pursuant to chapter 473.

(e) The Metropolitan Airports Commission shall request creation of one joint airport zoning board for each airport operated under its authority.

Sec. 69. Minnesota Statutes 2016, section 360.064, subdivision 1, is amended to read:

Subdivision 1. **Comprehensive regulations.** In the event that a municipality has adopted, or hereafter adopts, a comprehensive zoning ordinance regulating, among other things the height of buildings, any airport zoning regulations applicable to the same area or portion thereof ~~may~~ must be incorporated by reference or incorporated in and made a part of such comprehensive zoning regulations and be administered and enforced in connection therewith.

Sec. 70. Minnesota Statutes 2016, section 360.065, subdivision 1, is amended to read:

Subdivision 1. **Notice of proposed zoning regulations, hearing.** ~~(a) No airport zoning regulations shall be adopted, amended, or changed under sections 360.011 to 360.076, except by action of the governing body of the municipality or, county in question, or joint airport zoning board under section 360.0655 or 360.0656, or the boards provided for in section 360.063, subdivisions 3 and 7, or by the commissioner as provided in subdivisions 6 and 8, after public hearings, at which parties in interest and citizens shall have an opportunity to be heard.~~

~~(b) A public hearing shall must be held on the proposed airport zoning regulations proposed by a municipality, county, or joint airport zoning board before they are submitted for approval to the commissioner and after that approval but before final adoption by the local zoning authority for approval. If any changes that alter the regulations placed on a parcel of land are made to the proposed airport zoning regulations after the initial public hearing, the municipality, county, or joint airport zoning board must hold a second public hearing before final adoption of the regulation. The commissioner may require a second hearing as determined necessary.~~

~~(c) Notice of a hearing required pursuant to this subdivision shall must be published by the local zoning authority municipality, county, or joint airport zoning board at least three times during the period between 15 days and five days before the hearing in an official newspaper and in a second newspaper designated by that authority which has a wide general circulation in the area affected by the proposed regulations- and posted on the municipality's, county's, or joint airport zoning board's Web site. If there is not a second newspaper of wide general circulation in the area that the municipality, county, or joint airport zoning board can designate for the notice, the municipality, county, or joint airport zoning board is only required to publish the notice once in the official newspaper of the jurisdiction. The notice shall not be published in the legal notice section of a newspaper. The notice must specify the time, location, and purpose of the hearing, and must identify any additional location and time the proposed regulations will be available for public inspection. A copy of the published notice must be added to the record of the proceedings.~~

~~(d) Notice of a hearing shall also be mailed to the governing body of each political subdivision in which property affected by the regulations is located. Notice shall must be given by mail at least 45 ten days before each hearing to any persons in municipalities that own land proposed to be included in safety zone A or B as provided in the rules of the Department of Transportation and landowners where the location or size of a building, or the density of population, will be regulated. Mailed notice must also be provided at least ten days before each hearing to persons or municipalities that have previously requested such notice from the authority. municipality, county, or joint airport zoning board. The notice must specify the time, location, and purpose of the hearing, and must identify any additional location and time the proposed regulations will be made available for public inspection. Mailed notice must also identify the property affected by the regulations. For the purpose of giving providing mailed notice, the authority municipality, county, or joint airport zoning board may use any appropriate records to determine the names and addresses of owners. A copy of the notice and a list of the owners and addresses to which the notice was sent~~

~~shall be attested to by the responsible person and shall~~ must be made a part of ~~added to~~ the records of the proceedings. ~~The Failure to give provide~~ mailed notice to individual property owners; or ~~defects a defect~~ in the notice, ~~shall does~~ not invalidate the proceedings; ~~provided if~~ a bona fide attempt to comply with this subdivision ~~has been was~~ made. ~~A notice shall describe the property affected by the proposed regulations and the restrictions to be imposed on the property by the regulations and shall state the place and time at which the proposed regulations are available for public inspection.~~

Sec. 71. **[360.0655] AIRPORT ZONING REGULATIONS BASED ON COMMISSIONER'S STANDARDS; SUBMISSION PROCESS.**

Subdivision 1. Submission to commissioner; review. (a) Except as provided in section 360.0656, prior to adopting zoning regulations the municipality, county, or joint airport zoning board must submit the proposed regulations to the commissioner for the commissioner to determine whether the regulations conform to the standards prescribed by the commissioner. The municipality, county, or joint airport zoning board may elect to complete custom airport zoning under section 360.0656 instead of using the commissioner's standard, but only after providing written notice to the commissioner.

(b) Notwithstanding section 15.99, the commissioner must examine the proposed regulations within 90 days of receipt of the regulations and report to the municipality, county, or joint airport zoning board the commissioner's approval or objections, if any. Failure to respond within 90 days is deemed an approval. The commissioner may request additional information from the municipality, county, or joint airport zoning board within the 90-day review period. If the commissioner requests additional information, the 90-day review period is tolled until the commissioner receives information and deems the information satisfactory.

(c) If the commissioner objects on the grounds that the regulations do not conform to the standards prescribed by the commissioner, the municipality, county, or joint airport zoning board must make amendments necessary to resolve the objections or provide written notice to the commissioner that the municipality, county, or joint airport zoning board has elected to proceed with zoning under section 360.0656.

(d) If the municipality, county, or joint airport zoning board makes revisions to the proposed regulations after its initial public hearing, the municipality, county, or joint airport zoning board must conduct a second public hearing on the revisions and resubmit the revised proposed regulations to the commissioner for review. The commissioner must examine the revised proposed regulations within 90 days of receipt to determine whether the revised proposed regulations conform to the standards prescribed by the commissioner.

(e) If, after a second review period, the commissioner determines that the municipality, county, or joint airport zoning board failed to submit proposed regulations that conform to the commissioner's standards, the commissioner must provide a final written decision to the municipality, county, or joint airport zoning board.

(f) The municipality, county, or joint airport zoning board must not adopt regulations or take other action until the proposed regulations are approved by the commissioner.

(g) The commissioner may approve local zoning ordinances that are more stringent than the commissioner's standards.

(h) If the commissioner approves the proposed regulations, the municipality, county, or joint airport zoning board may adopt the regulations.

(i) A copy of the adopted regulations must be filed with the county recorder in each county that contains a zoned area subject to the regulations.

(j) Substantive rights that existed and had been exercised prior to August 1, 2018, are not affected by the filing of the regulations.

Subd. 2. **Protection of existing land uses.** (a) In order to ensure minimum disruption of existing land uses, the commissioner's airport zoning standards and local airport zoning ordinances or regulations adopted under this section must distinguish between the creation or establishment of a use and the elimination of an existing use, and must avoid the elimination, removal, or reclassification of existing uses to the extent consistent with reasonable safety standards. The commissioner's standards must include criteria for determining when an existing land use may constitute an airport hazard so severe that public safety considerations outweigh the public interest in preventing disruption to that land use.

(b) Airport zoning regulations that classify as a nonconforming use or require nonconforming use classification with respect to any existing low-density structure or existing isolated low-density building lots must be adopted under sections 360.061 to 360.074.

(c) A local airport zoning authority may classify a land use described in paragraph (b) as an airport hazard if the authority finds that the classification is justified by public safety considerations and is consistent with the commissioner's airport zoning standards. Any land use described in paragraph (b) that is classified as an airport hazard must be acquired, altered, or removed at public expense.

(d) This subdivision must not be construed to affect the classification of any land use under any zoning ordinances or regulations not adopted under sections 360.061 to 360.074.

Sec. 72. **[360.0656] CUSTOM AIRPORT ZONING STANDARDS.**

Subdivision 1. **Custom airport zoning standards; factors.** (a) Notwithstanding section 360.0655, a municipality, county, or joint airport zoning board must provide notice to the commissioner when the municipality, county, or joint airport zoning board intends to establish and adopt custom airport zoning regulations under this section.

(b) Airport zoning regulations submitted to the commissioner under this subdivision are not subject to the commissioner's zoning regulations under section 360.0655 or Minnesota Rules, part 8800.2400.

(c) When developing and adopting custom airport zoning regulations under this section, the municipality, county, or joint airport zoning board must include in the record a detailed analysis that explains how the proposed custom airport zoning regulations addressed the following factors to ensure a reasonable level of safety:

(1) the location of the airport, the surrounding land uses, and the character of neighborhoods in the vicinity of the airport, including:

(i) the location of vulnerable populations, including schools, hospitals, and nursing homes, in the airport hazard area;

(ii) the location of land uses that attract large assemblies of people in the airport hazard area;

(iii) the availability of contiguous open spaces in the airport hazard area;

(iv) the location of wildlife attractants in the airport hazard area;

(v) airport ownership or control of the federal Runway Protection Zone and the department's Clear Zone;

(vi) land uses that create or cause interference with the operation of radio or electronic facilities used by the airport or aircraft;

(vii) land uses that make it difficult for pilots to distinguish between airport lights and other lights, result in glare in the eyes of pilots using the airport, or impair visibility in the vicinity of the airport;

(viii) land uses that otherwise inhibit a pilot's ability to land, take off, or maneuver the aircraft;

(ix) airspace protection to prevent the creation of air navigation hazards in the airport hazard area; and

(x) the social and economic costs of restricting land uses;

(2) the airport's type of operations and how the operations affect safety surrounding the airport;

(3) the accident rate at the airport compared to a statistically significant sample, including an analysis of accident distribution based on the rate with a higher accident incidence;

(4) the planned land uses within an airport hazard area, including any applicable platting, zoning, comprehensive plan, or transportation plan; and

(5) any other information relevant to safety or the airport.

Subd. 2. Submission to commissioner; review. (a) Except as provided in section 360.0655, prior to adopting zoning regulations, the municipality, county, or joint airport zoning board must submit its proposed regulations and the supporting record to the commissioner for review. The commissioner must determine whether the proposed custom airport zoning regulations and supporting record (1) evaluate the criteria under subdivision 1, and (2) provide a reasonable level of safety.

(b) Notwithstanding section 15.99, the commissioner must examine the proposed regulations within 90 days of receipt of the regulations and report to the municipality, county, or joint airport zoning board the commissioner's approval or objections, if any. Failure to respond within 90 days is deemed an approval. The commissioner may request additional information from the municipality, county, or joint airport zoning board within the 90-day review period.

(c) If the commissioner objects on the grounds that the regulations do not provide a reasonable level of safety, the municipality, county, or joint airport zoning board must review, consider, and provide a detailed explanation demonstrating how it evaluated the objections and what action it took or did not take in response to the objections. If the municipality, county, or joint airport zoning board submits amended regulations after its initial public hearing, the municipality, county, or joint airport zoning board must conduct a second public hearing on the revisions and resubmit the revised proposed regulations to the commissioner for review. The commissioner must examine the revised proposed regulations within 90 days of receipt of the regulations. If the commissioner requests additional information, the 90-day review period is tolled until satisfactory information is received by the commissioner. Failure to respond within 90 days is deemed an approval.

(d) If, after the second review period, the commissioner determines that the municipality, county, or joint airport zoning board failed to submit proposed regulations that provide a reasonable safety level, the commissioner must provide a final written decision to the municipality, county, or joint airport zoning board.

(e) A municipality, county, or joint airport zoning board is prohibited from adopting custom regulations or taking other action until the proposed regulations are approved by the commissioner.

(f) If the commissioner approves the proposed regulations, the municipality, county, or joint airport zoning board may adopt the regulations.

(g) A copy of the adopted regulations must be filed with the county recorder in each county that contains a zoned area subject to the regulations.

(h) Substantive rights that existed and had been exercised prior to August 1, 2018, are not affected by the filing of the regulations.

Sec. 73. Minnesota Statutes 2016, section 360.066, subdivision 1, is amended to read:

Subdivision 1. **Reasonableness.** ~~Standards of the commissioner~~ Zoning standards defining airport hazard areas and the categories of uses permitted and airport zoning regulations adopted under sections 360.011 to 360.076, ~~shall~~ must be reasonable; and none shall impose a requirement or restriction ~~which that~~ which is not reasonably necessary to effectuate the purposes of sections 360.011 to 360.076. ~~In determining what minimum airport zoning regulations may be adopted, the commissioner and a local airport zoning authority shall consider, among other things, the character of the flying operations expected to be conducted at the airport, the location of the airport, the nature of the terrain within the airport hazard area, the existing land uses and character of the neighborhood around the airport, the uses to which the property to be zoned are planned and adaptable, and the social and economic costs of restricting land uses versus the benefits derived from a strict application of the standards of the commissioner.~~

Sec. 74. Minnesota Statutes 2016, section 360.067, is amended by adding a subdivision to read:

Subd. 5. Federal no hazard determination. (a) Notwithstanding subdivisions 1 and 2, a municipality, county, or joint airport zoning board may include in its custom airport zoning regulations adopted under section 360.0656 an option to permit construction of a structure, an increase or alteration of the height of a structure, or the growth of an existing tree without a variance from height restrictions if the Federal Aviation Administration has analyzed the proposed construction, alteration, or growth under Code of Federal Regulations, title 14, part 77, and has determined the proposed construction, alteration, or growth does not:

(1) pose a hazard to air navigation;

(2) require changes to airport or aircraft operations; or

(3) require any mitigation conditions by the Federal Aviation Administration that cannot be satisfied by the landowner.

(b) A municipality, county, or joint airport zoning board that permits an exception to height restrictions under this subdivision must require the applicant to file the Federal Aviation Administration's no hazard determination with the applicable zoning administrator. The applicant must obtain written approval of the zoning administrator before construction, alteration, or growth may occur. Failure of the administrator to respond within 60 days to a filing under this subdivision is deemed a denial. The Federal Aviation Administration's no hazard determination does not apply to requests for variation from land use, density, or any other requirement unrelated to the height of structures or the growth of trees.

Sec. 75. Minnesota Statutes 2016, section 360.071, subdivision 2, is amended to read:

Subd. 2. **Membership.** (a) Where a zoning board of appeals or adjustment already exists, it may be appointed as the board of adjustment. Otherwise, the board of adjustment shall consist of five members, each to be appointed for a term of three years by the authority adopting the regulations and to be removable by the appointing authority for cause, upon written charges and after public hearing. The length of initial appointments may be staggered.

(b) In the case of a Metropolitan Airports Commission, five members shall be appointed by the commission chair from the area in and for which the commission was created, any of whom may be members of the commission. In the case of an airport owned or operated by the state of Minnesota, the board of commissioners of the county, or counties, in which the airport hazard area is located shall constitute the airport board of adjustment and shall exercise the powers and duties of such board as provided herein.

Sec. 76. Minnesota Statutes 2016, section 360.305, subdivision 6, is amended to read:

Subd. 6. **Zoning required.** The commissioner ~~shall~~ must not expend money for planning or land acquisition, ~~or~~ for the construction, improvement, or maintenance of airports, or for air navigation facilities for an airport, unless the ~~governmental unit~~ municipality, county, or joint airport zoning board involved has or is establishing a zoning authority for that airport, and the authority has made a good-faith showing that it is in the process of and will complete with due diligence, an airport zoning ordinance in accordance with sections 360.061 to 360.074. The commissioner may provide funds to support airport safety projects that maintain existing infrastructure, regardless of a zoning authority's efforts to complete a zoning regulation. The commissioner ~~shall~~ must make maximum use of zoning and easements to eliminate runway and other potential airport hazards rather than land acquisition in fee.

Sec. 77. Minnesota Statutes 2016, section 394.22, is amended by adding a subdivision to read:

Subd. 1a. **Airport safety zone.** "Airport safety zone" means an area subject to land use zoning controls adopted under sections 360.061 to 360.074 if the zoning controls regulate (1) the size or location of buildings, or (2) the density of population.

Sec. 78. Minnesota Statutes 2016, section 394.23, is amended to read:

394.23 COMPREHENSIVE PLAN.

The board has the power and authority to prepare and adopt by ordinance, a comprehensive plan. A comprehensive plan or plans when adopted by ordinance must be the basis for official controls adopted under the provisions of sections 394.21 to 394.37. The commissioner of natural resources must provide the natural heritage data from the county biological survey, if available, to each county for use in the comprehensive plan. When adopting or updating the comprehensive plan, the board must, if the data is available to the county, consider natural heritage data resulting from the county biological survey. In a county that is not a greater than 80 percent area, as defined in section 103G.005, subdivision 10b, the board must consider adopting goals and objectives that will protect open space and the environment. The board must consider the location and dimensions of airport safety zones in any portion of the county, and of any airport improvements, identified in the airport's most recent approved airport layout plan.

Sec. 79. Minnesota Statutes 2016, section 394.231, is amended to read:

394.231 COMPREHENSIVE PLANS IN GREATER MINNESOTA; OPEN SPACE.

A county adopting or updating a comprehensive plan in a county outside the metropolitan area as defined by section 473.121, subdivision 2, and that is not a greater than 80 percent area, as defined in section 103G.005, subdivision 10b, shall consider adopting goals and objectives for the preservation of agricultural, forest, wildlife, and open space land, and minimizing development in sensitive shoreland areas. Within three years of updating the comprehensive plan, the county shall consider adopting ordinances as part of the county's official controls that encourage the implementation of the goals and objectives. The county shall consider the following goals and objectives:

(1) minimizing the fragmentation and development of agricultural, forest, wildlife, and open space lands, including consideration of appropriate minimum lot sizes;

(2) minimizing further development in sensitive shoreland areas;

(3) minimizing development near wildlife management areas, scientific and natural areas, and nature centers;

(4) encouraging land uses in airport safety zones that are compatible with the safe operation of the airport and the safety of people in the vicinity of the airport;

~~(4)~~ (5) identification of areas of preference for higher density, including consideration of existing and necessary water and wastewater services, infrastructure, other services, and to the extent feasible, encouraging full development of areas previously zoned for nonagricultural uses;

~~(5)~~ (6) encouraging development close to places of employment, shopping centers, schools, mass transit, and other public and private service centers;

~~(6)~~ (7) identification of areas where other developments are appropriate; and

~~(7)~~ (8) other goals and objectives a county may identify.

Sec. 80. Minnesota Statutes 2016, section 394.25, subdivision 3, is amended to read:

Subd. 3. **In district zoning, maps.** Within each such district zoning ordinances or maps may also be adopted designating or limiting the location, height, width, bulk, type of foundation, number of stories, size of, and the specific uses for which dwellings, buildings, and structures may be erected or altered; the minimum and maximum size of yards, courts, or other open spaces; setback from existing roads and highways and roads and highways designated on an official map; protective measures necessary to protect the public interest including but not limited to controls relating to appearance, signs, lighting, hours of operation and other aesthetic performance characteristics including but not limited to noise, heat, glare, vibrations and smoke; the area required to provide for off street loading and parking facilities; heights of trees and structures near airports; and to avoid too great concentration or scattering of the population. All such provisions shall be uniform for each class of land or building throughout each district, but the provisions in one district may differ from those in other districts. No provision may prohibit earth sheltered construction as defined in section 216C.06, subdivision 14, or manufactured homes built in conformance with sections 327.31 to 327.35 that comply with all other zoning ordinances promulgated pursuant to this section. Airport safety zones must be included on maps that illustrate boundaries of zoning districts and that are adopted as official controls.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to maps created or updated under this section on or after that date.

Sec. 81. Minnesota Statutes 2016, section 462.352, is amended by adding a subdivision to read:

Subd. 1a. **Airport safety zone.** "Airport safety zone" has the meaning given in section 394.22, subdivision 1a.

Sec. 82. Minnesota Statutes 2016, section 462.355, subdivision 1, is amended to read:

Subdivision 1. **Preparation and review.** The planning agency shall prepare the comprehensive municipal plan. In discharging this duty the planning agency shall consult with and coordinate the planning activities of other departments and agencies of the municipality to insure conformity with and to assist in the development of the comprehensive municipal plan. In its planning activities the planning agency shall take due cognizance of the

planning activities of adjacent units of government and other affected public agencies. The planning agency shall periodically review the plan and recommend amendments whenever necessary. When preparing or recommending amendments to the comprehensive plan, the planning agency of a municipality located within a county that is not a greater than 80 percent area, as defined in section 103G.005, subdivision 10b, must consider adopting goals and objectives that will protect open space and the environment. When preparing or recommending amendments to the comprehensive plan, the planning agency must consider (1) the location and dimensions of airport safety zones in any portion of the municipality, and (2) any airport improvements identified in the airport's most recent approved airport layout plan.

Sec. 83. Minnesota Statutes 2016, section 462.357, is amended by adding a subdivision to read:

Subd. 1i. **Airport safety zones on zoning maps.** Airport safety zones must be included on maps that illustrate boundaries of zoning districts and that are adopted as official controls.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to maps created or updated under this section on or after that date.

Sec. 84. Minnesota Statutes 2016, section 462.357, subdivision 9, is amended to read:

Subd. 9. **Development goals and objectives.** In adopting official controls after July 1, 2008, in a municipality outside the metropolitan area, as defined by section 473.121, subdivision 2, the municipality shall consider restricting new residential, commercial, and industrial development so that the new development takes place in areas subject to the following goals and objectives:

(1) minimizing the fragmentation and development of agricultural, forest, wildlife, and open space lands, including consideration of appropriate minimum lot sizes;

(2) minimizing further development in sensitive shoreland areas;

(3) minimizing development near wildlife management areas, scientific and natural areas, and nature centers;

(4) encouraging land uses in airport safety zones that are compatible with the safe operation of the airport and the safety of people in the vicinity of the airport;

~~(4)~~ (5) identification of areas of preference for higher density, including consideration of existing and necessary water and wastewater services, infrastructure, other services, and to the extent feasible, encouraging full development of areas previously zoned for nonagricultural uses;

~~(5)~~ (6) encouraging development close to places of employment, shopping centers, schools, mass transit, and other public and private service centers;

~~(6)~~ (7) identification of areas where other developments are appropriate; and

~~(7)~~ (8) other goals and objectives a municipality may identify.

Sec. 85. Minnesota Statutes 2016, section 473.13, is amended by adding a subdivision to read:

Subd. 1d. **Budget amendments.** In conjunction with the adoption of any amendment to a budget under subdivision 1, the council must submit a summary of the budget changes and a copy of the amended budget to the members and staff of the legislative committees with jurisdiction over transportation policy and finance and to the Legislative Commission on Metropolitan Government.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 86. Minnesota Statutes 2016, section 473.13, is amended by adding a subdivision to read:

Subd. 6. **Overview of revenues and expenditures; forecast.** (a) In cooperation with the Department of Management and Budget and as required by section 16A.103, in February and November of each year the council must prepare a financial overview and forecast of revenues and expenditures for the transportation components of the council's budget.

(b) At a minimum, the financial overview and forecast must identify:

(1) actual revenues, expenditures, transfers, reserves, and balances for each of the previous four budget years;

(2) budgeted and forecasted revenues, expenditures, transfers, reserves, and balances for each year within the state forecast period; and

(3) a comparison of the information under clause (2) to the prior forecast, including any changes made.

(c) The information under paragraph (b), clauses (1) and (2), must include:

(1) a breakdown for each transportation operating budget category established by the council, including but not limited to bus, light rail transit, commuter rail, planning, special transportation service under section 473.386, and assistance to replacement service providers under section 473.388;

(2) data for both transportation operating and capital expenditures; and

(3) fund balances for each replacement service provider under section 473.388.

(d) The financial overview and forecast must summarize reserve policies, identify the methodology for cost allocation, and review revenue assumptions and variables affecting the assumptions.

(e) The council must review the financial overview and forecast information with the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over finance, ways and means, and transportation finance no later than two weeks following the release of the forecast.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 87. Minnesota Statutes 2016, section 473.386, subdivision 3, is amended to read:

Subd. 3. **Duties of council.** In implementing the special transportation service, the council shall:

(a) encourage participation in the service by public, private, and private nonprofit providers of special transportation currently receiving capital or operating assistance from a public agency;

(b) when feasible and cost-efficient, contract with public, private, and private nonprofit providers that have demonstrated their ability to effectively provide service at a reasonable cost;

(c) encourage individuals using special transportation to use the type of service most appropriate to their particular needs;

(d) encourage shared rides to the greatest extent practicable;

(e) encourage public agencies that provide transportation to eligible individuals as a component of human services and educational programs to coordinate with this service and to allow reimbursement for transportation provided through the service at rates that reflect the public cost of providing that transportation;

(f) establish criteria to be used in determining individual eligibility for special transportation services;

(g) consult with the Transportation Accessibility Advisory Committee in a timely manner before changes are made in the provision of special transportation services;

(h) provide for effective administration and enforcement of council policies and standards; and

(i) ensure that, taken as a whole including contracts with public, private, and private nonprofit providers, the geographic coverage area of the special transportation service is continuous within the boundaries of the transit taxing district, as defined as of March 1, 2006, in section 473.446, subdivision 2, and any area added to the transit taxing district under section 473.4461 that received capital improvements financed in part by the Minnesota Urban Partnership Agreement (UPA) under the United States Department of Transportation UPA program.

EFFECTIVE DATE; APPLICATION. This section is effective July 1, 2019, and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 88. Minnesota Statutes 2016, section 473.386, is amended by adding a subdivision to read:

Subd. 9. Data practices. (a) For purposes of administering this section, and only with the consent of the data subject, the commissioner of human services and the Metropolitan Council may share the following private data on individuals eligible for special transportation services:

(1) name;

(2) date of birth;

(3) residential address; and

(4) program eligibility status with expiration date, to inform the other party of program eligibility.

(b) The commissioner of human services and the Metropolitan Council must provide notice regarding data sharing to each individual applying for or renewing eligibility to use special transportation services. The notice must seek consent to engage in data sharing under paragraph (a), and must state how and for what purposes the individual's private data will be shared between the commissioner of human services and the Metropolitan Council. A consent to engage in data sharing is effective until the individual's eligibility expires, but may be renewed if the individual applies to renew eligibility.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington. Within 60 days of this section's effective date, the commissioner of human services and the Metropolitan Council must provide notice regarding data sharing to each individual who is currently receiving special transportation services under Minnesota Statutes, section 473.386. The notice must provide an opportunity to opt out of data sharing under paragraph (a) of this section, and must state how and for what purposes the individual's private data will be shared between the commissioner of human services and the Metropolitan Council. An individual who is currently receiving special transportation services on this section's effective date is presumed to have consented to data sharing under paragraph (a) unless, within 60 days of the dissemination of the notice, the individual appropriately informs the commissioner of human services or the Metropolitan Council that the individual opts out of data sharing.

Sec. 89. Minnesota Statutes 2017 Supplement, section 473.4051, subdivision 2, is amended to read:

Subd. 2. **Operating costs.** (a) After operating revenue and federal money have been used to pay for light rail transit operations, 50 percent of the remaining operating costs must be paid by the state.

(b) Notwithstanding paragraph (a), all operating and ongoing capital maintenance costs must be paid from nonstate sources for a segment of a light rail transit line or line extension project that formally entered the engineering phase of the Federal Transit Administration's "New Starts" capital investment grant program between August 1, 2016, and December 31, 2016.

(c) For purposes of this subdivision, operating costs consist of the costs associated with light rail system daily operations and the maintenance costs associated with keeping light rail services and facilities operating. Operating costs do not include costs incurred to construct new buildings or facilities, purchase new vehicles, or make technology improvements.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 90. Minnesota Statutes 2016, section 473.4051, subdivision 3, is amended to read:

Subd. 3. **Capital costs.** State money ~~may~~ must not be used ~~to pay more than ten percent of~~ for the total capital cost of a light rail transit project.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment for appropriations encumbered on or after that date and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 91. Minnesota Statutes 2016, section 574.26, subdivision 1a, is amended to read:

Subd. 1a. **Exemptions: certain manufacturers; commissioner of transportation; road maintenance.** (a) Sections 574.26 to 574.32 do not apply to a manufacturer of public transit buses that manufactures at least 100 public transit buses in a calendar year. For purposes of this section, "public transit bus" means a motor vehicle designed to transport people, with a design capacity for carrying more than 40 passengers, including the driver. The term "public transit bus" does not include a school bus, as defined in section 169.011, subdivision 71.

(b) At the discretion of the commissioner of transportation, sections 574.26 to 574.32 do not apply to any projects of the Department of Transportation (1) costing less than the amount in section 471.345, subdivision 3, ~~or~~ (2) involving the permanent or semipermanent installation of heavy machinery, fixtures, or other capital equipment to be used primarily for maintenance or repair, or (3) awarded under section 161.32, subdivision 2.

(c) Sections 574.26 to 574.32 do not apply to contracts for snow removal, ice removal, grading, or other similar routine road maintenance on town roads.

Sec. 92. Laws 2014, chapter 312, article 11, section 38, subdivision 5, is amended to read:

Subd. 5. **Pilot program evaluation.** In coordination with the city, the commissioner of transportation shall evaluate effectiveness of the pilot program under this section, which must include analysis of traffic safety impacts, utility to motorists and tourists, costs and expenditures, extent of community support, and pilot program termination or continuation. By January 15, ~~2021~~ 2024, the commissioner shall submit a report on the evaluation to the ~~chairs and ranking minority~~ members and staff of the legislative committees with jurisdiction over transportation policy and finance.

Sec. 93. Laws 2014, chapter 312, article 11, section 38, subdivision 6, is amended to read:

Subd. 6. **Expiration.** The pilot program under this section expires January 1, ~~2022~~ 2025.

Sec. 94. **LEGISLATIVE ROUTE NO. 222 REMOVED.**

(a) Minnesota Statutes, section 161.115, subdivision 153, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of Red Lake County to transfer jurisdiction of Legislative Route No. 222 and after the commissioner notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 95. **LEGISLATIVE ROUTE NO. 253 REMOVED.**

(a) Minnesota Statutes, section 161.115, subdivision 184, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of Faribault County to transfer jurisdiction of Legislative Route No. 253 and after the commissioner notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 96. **LEGISLATIVE ROUTE NO. 254 REMOVED.**

(a) Minnesota Statutes, section 161.115, subdivision 185, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of Faribault County to transfer jurisdiction of Legislative Route No. 254 and after the commissioner notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 97. **LEGISLATIVE ROUTE NO. 277 REMOVED.**

(a) Minnesota Statutes, section 161.115, subdivision 208, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of Chippewa County to transfer jurisdiction of Legislative Route No. 277 and after the commissioner notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 98. **LEGISLATIVE ROUTE NO. 298 REMOVED.**

(a) Minnesota Statutes, section 161.115, subdivision 229, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of the city of Faribault to transfer jurisdiction of Legislative Route No. 298 and after the commissioner notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 99. **LEGISLATIVE ROUTE NO. 299 REMOVED.**

(a) Minnesota Statutes, section 161.115, subdivision 230, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of the city of Faribault to transfer jurisdiction of Legislative Route No. 299 and after the commissioner notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 100. **LEGISLATIVE ROUTE NO. 323 REMOVED.**

(a) Minnesota Statutes, section 161.115, subdivision 254, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of the city of Faribault to transfer jurisdiction of Legislative Route No. 323 and after the commissioner notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 101. **DEPARTMENT OF TRANSPORTATION LOAN CONVERSION AND LIEN RELEASE.**

The commissioner of transportation must (1) convert to a grant the remaining balance on Minnesota Department of Transportation Contract No. 1000714, originally executed as of June 1, 2015, with Minnesota Commercial Railway Company; (2) cancel all future payments under the contract; (3) release liens on the locomotives designated as MNNR 49 and MNNR 84; and (4) perform the appropriate filing. The commissioner is prohibited from requiring or accepting additional payments under the contract as of the effective date of this section. Notwithstanding the loan conversion and payment cancellation under this section, all other terms and conditions under Contract No. 1000714 remain effective for the duration of the period specified in the contract.

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

Sec. 102. **NORTHSTAR CORRIDOR EXTENSION; NEGOTIATIONS.**

The Department of Transportation must contact Burlington Northern Santa Fe Railway (BNSF) to negotiate an extension of the Northstar Corridor between Big Lake and St. Cloud. Negotiations under this section are subject to the following conditions:

(1) the Northstar Corridor will add at least one morning round trip departure between the St. Cloud Amtrak Depot and Big Lake Station with continuing service to Target Station each weekday, plus one evening round trip between Big Lake Station and St. Cloud Amtrak Depot that must begin at Target Station, with the departure and arrival times set so that approximately ten or more hours elapse between the morning departure and evening return each day for both round trips. The Department of Transportation may also negotiate weekend departures and arrivals between St. Cloud and Target Station;

(2) the Department of Transportation may negotiate for fewer round trip departures from Big Lake to Target Station each weekday, and fewer round trip departures on weekends;

(3) BNSF must continue to crew and dispatch all trains and provide other track-related services;

(4) the St. Cloud Metropolitan Transit Commission (MTC) must be responsible for fare collection in St. Cloud and must negotiate with Amtrak for using the Amtrak station. The MTC must negotiate an agreement with the Metropolitan Council, which is subject to approval by the city of St. Cloud, regarding the sharing of revenues and expenses related to the Amtrak Depot, fare collection, and advertising. The MTC, city of St. Cloud, and Stearns, Benton, and Sherburne Counties are prohibited from entering into agreements with the Metropolitan Council on any subject other than the operation of the Northstar Corridor;

(5) the Department of Transportation is prohibited from committing to spend any state funds on capital expenditures;

(6) the Department of Transportation is prohibited from committing to spend any more state funds on operating costs than the total sum it and the Metropolitan Council have budgeted for the Northstar Corridor; and

(7) the Department of Transportation may negotiate with the federal government, counties and cities, or the Northstar Corridor Development Authority to provide additional funding for services necessary to extend the Northstar Corridor.

Sec. 103. **NORTHSTAR COMMUTER RAIL OPERATING COSTS; EXCEPTION.**

(a) Minnesota Statutes, section 398A.10, subdivision 2, does not apply for reserve funds available to the Anoka County Regional Railroad Authority as of June 30, 2018, that are used to pay operating and maintenance costs of Northstar Commuter Rail.

(b) This section expires on January 1, 2021.

Sec. 104. **MARKED INTERSTATE HIGHWAY 35 SIGNS.**

The commissioner of transportation must erect signs that identify and direct motorists to the campuses of Minnesota State Academy for the Deaf and Minnesota State Academy for the Blind under Minnesota Statutes, sections 125A.61 to 125A.73. At least one sign in each direction of travel must be placed on marked Interstate Highway 35, located as near as practical to exits that reasonably access the campuses. The commissioner is prohibited from removing signs for the campuses posted on marked Trunk Highway 60.

Sec. 105. **COMMERCIAL DRIVER'S LICENSE FEDERAL REGULATION WAIVER REQUEST.**

The commissioner of public safety must apply to the Federal Motor Carrier Safety Administration for a waiver from the federal regulation that requires a person to have a passenger endorsement to drive a bus with no passengers for the sole purpose of delivering the bus to the purchaser.

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

Sec. 106. **REVISOR INSTRUCTIONS.**

(a) The revisor of statutes shall renumber Minnesota Statutes, section 160.02, subdivision 27a, as Minnesota Statutes, section 169.011, subdivision 73a. The revisor shall correct any cross-references made necessary by this renumbering.

(b) The revisor of statutes shall change the term "special revenue fund" to "driver and vehicle services fund" wherever the term appears in Minnesota Statutes when referring to the accounts under Minnesota Statutes, section 299A.705.

Sec. 107. **REPEALER.**

(a) Minnesota Statutes 2016, section 168.013, subdivision 21, is repealed.

(b) Minnesota Statutes 2016, section 221.161, subdivisions 2, 3, and 4, are repealed.

(c) Minnesota Statutes 2016, sections 360.063, subdivision 4; 360.065, subdivision 2; and 360.066, subdivisions 1a and 1b, are repealed.

(d) Minnesota Statutes 2016, sections 222.47; 222.50, subdivisions 1 and 7; and 222.51, are repealed.

(e) Minnesota Statutes 2017 Supplement, sections 222.49; and 222.50, subdivision 6, are repealed.

Sec. 108. **EFFECTIVE DATE; APPLICATION.**

(a) Sections 63 to 84 and section 107, paragraph (c), are effective August 1, 2018, and apply to airport sponsors that make or plan to make changes to runway lengths or configurations on or after that date.

(b) Sections 63 to 84 and section 107, paragraph (c), do not apply to airports that (1) have airport safety zoning ordinances approved by this commissioner in effect on August 1, 2018; (2) have not made and are not planning to make changes to runway lengths or configurations; and (3) are not required to update airport safety zoning ordinances."

Delete the title and insert:

"A bill for an act relating to transportation; establishing a supplemental budget for transportation activities; modifying various provisions governing transportation policy and finance; appropriating money; requiring reports; authorizing the sale and issuance of state bonds; amending Minnesota Statutes 2016, sections 13.461, by adding a subdivision; 13.6905, subdivision 3; 13.72, subdivision 10; 160.295, subdivision 5; 161.115, subdivision 111; 161.14, by adding subdivisions; 161.32, subdivision 2; 168.10, subdivision 1h; 168.101, subdivision 2a; 168.127, subdivision 6; 168.326; 168.33, by adding a subdivision; 168.345, subdivision 2; 168A.02, subdivision 1; 168A.151, subdivision 1; 168A.29, subdivision 1; 169.011, subdivisions 5, 9, 60; 169.18, subdivision 3; 169.222, subdivisions 1, 4; 169.26, subdivision 1; 169.28; 169.29; 169.345, subdivision 2; 169.4503, subdivision 5; 169.81, by adding a subdivision; 169.8261, subdivision 2; 169.829, by adding a subdivision; 169.87, subdivision 6; 169.974, subdivision 2; 174.66; 221.031, subdivision 2d, by adding a subdivision; 221.0314, subdivision 9; 221.036, subdivisions 1, 3; 221.122, subdivision 1; 221.161, subdivision 1, by adding a subdivision; 221.171, subdivision 1; 222.46; 222.50, subdivisions 3, 4; 222.52; 222.57; 222.63, subdivision 8; 297A.993, by adding a subdivision; 299A.705; 360.013, by adding a subdivision; 360.017, subdivision 1; 360.021, subdivision 1; 360.062; 360.063, subdivisions 1, 3; 360.064, subdivision 1; 360.065, subdivision 1; 360.066, subdivision 1; 360.067, by adding a subdivision; 360.071, subdivision 2; 360.305, subdivision 6; 394.22, by adding a subdivision; 394.23; 394.231; 394.25, subdivision 3; 462.352, by adding a subdivision; 462.355, subdivision 1; 462.357, subdivision 9, by adding a subdivision; 473.13,

by adding subdivisions; 473.386, subdivision 3, by adding a subdivision; 473.4051, subdivision 3; 574.26, subdivision 1a; Minnesota Statutes 2017 Supplement, sections 3.972, subdivision 4; 160.02, subdivision 1a; 169.829, subdivision 4; 171.06, subdivision 2; 473.4051, subdivision 2; Laws 2014, chapter 312, article 11, section 38, subdivisions 5, 6; Laws 2017, First Special Session chapter 3, article 1, sections 2, subdivision 2; 4, subdivisions 1, 2; proposing coding for new law in Minnesota Statutes, chapters 161; 168; 174; 222; 299A; 360; repealing Minnesota Statutes 2016, sections 168.013, subdivision 21; 221.161, subdivisions 2, 3, 4; 222.47; 222.50, subdivisions 1, 7; 222.51; 360.063, subdivision 4; 360.065, subdivision 2; 360.066, subdivisions 1a, 1b; Minnesota Statutes 2017 Supplement, sections 222.49; 222.50, subdivision 6."

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

The report was adopted.

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

H. F. No. 4289, A bill for an act relating to energy; appropriating money for renewable energy projects.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
JOBS AND ENERGY APPROPRIATIONS

Section 1. **APPROPRIATIONS**

The sums shown in the columns under "Appropriations" are added to appropriations in Laws 2017, chapter 94, or other law to the specified agencies. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2018" and "2019" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively. Appropriations for the fiscal year ending June 30, 2018, are effective the day following final enactment. Reductions may be taken in either fiscal year.

| | <u>APPROPRIATIONS</u> | |
|---|--------------------------------------|----------------------------|
| | <u>Available for the Year</u> | |
| | <u>Ending June 30</u> | |
| | <u>2018</u> | <u>2019</u> |
| | | |
| Sec. 2. <u>DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT</u> | | |
| Subdivision 1. <u>Total Appropriation</u> | <u>\$0</u> | <u>\$20,320,000</u> |
| <u>Appropriations by Fund</u> | | |
| <u>General</u> | <u>-0-</u> | <u>\$19,720,000</u> |
| <u>Renewable Development</u> | <u>-0-</u> | <u>\$600,000</u> |

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. Business and Community Development05,320,000Appropriations by Fund

| | | |
|------------------------------|------------|--------------------|
| <u>General</u> | <u>-0-</u> | <u>\$4,720,000</u> |
| <u>Renewable Development</u> | <u>-0-</u> | <u>\$600,000</u> |

(a) \$50,000 in fiscal year 2019 is for a grant to Advocating Change Together to address barriers to employment for people with disabilities and provide skills training. This appropriation is available until June 30, 2021.

(b) \$400,000 in fiscal year 2019 is for a grant to Project Build Minnesota for a statewide public awareness campaign to encourage middle school and high school students to consider careers in the construction industry, with a special emphasis on reaching individuals and groups that are economically disadvantaged or historically underrepresented in the construction industry. Grant funds must be used to develop educational resources, including a Web site; perform outreach to students, parents, guidance counselors, and others about opportunities in the construction industry; and partner with educational institutions and nonprofits to offer technical training. This is a onetime appropriation.

(c) \$1,500,000 in fiscal year 2019 is for a grant to the city of Cambridge for costs associated with relocating and constructing a propane distribution facility and for costs associated with demolition, cleanup and restoration of the existing propane facility. Eligible costs include: land acquisition, site preparation and improvements, moving expenses, building construction, rail construction, rail switch construction, demolition, environmental remediation, engineering, and other necessary site improvements. This is a onetime appropriation and is available until the project is completed or abandoned subject to Minnesota Statutes, section 16A.642.

(d) \$590,000 in fiscal year 2019 is for grants to centers for independent living under Minnesota Statutes, section 268A.11. The grant money under this paragraph must be used to hire eight full-time employees to provide services to veterans. This is a onetime appropriation and is available until June 30, 2021.

(e) \$150,000 in fiscal year 2019 is for transfer to the Cook County Higher Education Board to provide educational programming and academic support services to remote regions in northeastern Minnesota. This is a onetime appropriation.

(f) \$250,000 in fiscal year 2019 is for a grant to Logistic Specialties, Inc. to create a pilot workforce and development program in the east metropolitan area focused on government contract procurement and targeted to low- and moderate-income

communities of color. Every six months, beginning on December 15, 2019, the commissioner of employment and economic development must submit a brief update on the progress of the pilot project to the chairs and ranking minority members of the legislative committees with jurisdiction over economic development. A final report on pilot outcomes must be submitted to the chairs and ranking minority members of the legislative committees with jurisdiction over economic development by February 15, 2020. This is a onetime appropriation and funds are available until June 30, 2020.

(g) \$500,000 in fiscal year 2019 is for job training grants under Minnesota Statutes, section 116L.42. This is a onetime appropriation.

(h) \$250,000 in fiscal year 2019 is for a grant to the Hallie Q. Brown Community Center, Inc., for youth intervention services through the community ambassadors and youth employment program. This is a onetime appropriation.

(i) Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (k), \$600,000 in fiscal year 2019 is from the renewable development account in the special revenue fund established in Minnesota Statutes, section 116C.779, subdivision 1, for a grant to the Board of Regents of the University of Minnesota for academic and applied research through MnDRIVE at the Natural Resources Research Institute. Of this amount, \$300,000 is to develop and demonstrate biomass conversion technology for higher value fuels and \$300,000 is to develop and demonstrate advanced biogas technologies for clean methane fuels. Both programs must focus on translation and deployment of technologies developed in partnerships between industry and the University of Minnesota. This is a onetime appropriation.

(j) \$230,000 in fiscal year 2019 is for a grant to a city of the second class that is designated as an economically depressed area by the United States Department of Commerce. The grant is for economic development, redevelopment, and job creation programs and projects. This is a onetime appropriation and is available until June 30, 2021.

(k)(1) \$300,000 in fiscal year 2019 for a grant to the Minnesota Environmental Science and Economic Review Board (MESERB) to review water quality regulation and national pollutant discharge elimination system permits (NPDES). This grant is subject to Minnesota Statutes, section 16B.98. MESERB may select the water quality regulations and permits to be reviewed but must give preference to reviewing any draft NPDES permit that has new effluent limit requirements for a publicly owned wastewater treatment facility outside the seven county metropolitan area. Any permit review must analyze the technical accuracy of the permit

and the impact on both business and residential rates, the water quality benefit of permit compliance, and the anticipated funding for the permittee from federal and state sources. This is a onetime appropriation and is available until June 30, 2021.

(2) Upon completion of the permit review, MESERB must provide a copy of the review to the permittee and the commissioner of the Pollution Control Agency. MESERB must also submit a report summarizing its findings in each permit review performed in the previous calendar year to the chairs and ranking minority members of the legislative committees with jurisdiction over capital investment, environmental policy and finance, and economic development.

(1) \$500,000 in fiscal year 2019 is for a grant to Comunidades Latinas Unidas en Servicio (CLUES) to acquire property and to construct, furnish, and equip a new education and technology institute connected to CLUES headquarters in St. Paul to provide education and community gathering space. This appropriation is available when the commissioner of management and budget determines that sufficient resources have been committed to complete the project, as required by Minnesota Statutes, section 16A.502. This appropriation is onetime and available until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642.

Subd. 3. Broadband Development

0

15,000,000

(a) \$15,000,000 in fiscal year 2019 is for transfer to the border-to-border broadband fund account in the special revenue fund established under Minnesota Statutes, section 116J.396 and may be used for purposes provided in Minnesota Statutes, section 116J.395. This appropriation is onetime and is available until spent. Of this appropriation, up to three percent is for costs incurred by the commissioner to administer Minnesota Statutes, section 116J.395. Administrative costs may include the following activities related to measuring progress toward the state's broadband goals established in Minnesota Statutes, section 237.012:

(1) collecting broadband deployment data from Minnesota providers, verifying its accuracy through on-the-ground testing, and creating state and county maps available to the public showing the availability of broadband service at various upload and download speeds throughout Minnesota;

(2) analyzing the deployment data collected to help inform future investments in broadband infrastructure; and

(3) conducting business and residential surveys that measure broadband adoption and use in the state.

Data provided by a broadband provider under this subdivision is nonpublic data under Minnesota Statutes, section 13.02, subdivision 9. Maps produced under this subdivision are public data under Minnesota Statutes, section 13.03.

(b) Of the amount appropriated in paragraph (a), \$750,000 is for grants to satellite broadband providers under Minnesota Statutes, section 116J.395.

Sec. 3. **HOUSING FINANCE AGENCY**

\$0

\$1,880,000

(a) \$1,000,000 in fiscal year 2019 is for transfer to the housing development fund for the programs in Minnesota Statutes, sections 462A.201, subdivision 2, paragraph (a), clause (4), and 462A.204, subdivision 8. The agency may allocate this appropriation as necessary to these two programs to facilitate the Homework Starts with Home program. This is a onetime appropriation.

(b) \$500,000 in fiscal year 2019 is for park infrastructure grants under Minnesota Statutes, section 462A.2035, subdivision 1b. This is a onetime appropriation.

(c) \$380,000 in fiscal year 2019 is for grants to organizations to provide lead risk assessments by a lead inspector or a lead risk assessor licensed by the commissioner pursuant to Minnesota Statutes, section 144.9505, to test residential units for the presence of lead hazards. Grant programs receiving funding under this section must provide funding for lead risk assessments for properties built before 1978 to:

(1) landlords of residential buildings for testing on units where the tenant's income does not exceed 60 percent of area median income; or

(2) tenants with an income that does not exceed 60 percent of area median income.

The commissioner shall award grant funding to target grant resources to landlords and tenants where there are high concentrations of lead poisoning in children based on the information provided from the commissioner of health. Up to ten percent of the grant may be used to administer the grant and provide education and outreach about lead health hazards. This is a onetime appropriation.

Sec. 4. **DEPARTMENT OF COMMERCE**

\$0

\$7,100,000

This appropriation is from the renewable development fund.

(a) Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (k), \$3,000,000 in fiscal year 2019 is from the renewable development account in the special revenue

fund under Minnesota Statutes, section 116C.779, subdivision 1, for the local government emerald ash borer removal grant program under Minnesota Statutes, section 216C.437. This appropriation is onetime and available until June 30, 2021.

(b)(1) \$1,000,000 in fiscal year 2019 is from the renewable development account in the special revenue fund under Minnesota Statutes, section 116C.779, subdivision 1, to fund grants for demonstration projects that assess the technical and economic effectiveness of deploying energy storage systems to restore electrical energy to critical health care facilities following electrical outages due to storms or other catastrophic events. This is a onetime appropriation.

(2) The commissioner of commerce shall endeavor to make grant awards under this section for projects at critical health care facilities located in all regions of the state.

(3) For the purposes of this paragraph, "energy storage system" means a commercially available technology capable of (i) absorbing and storing electrical energy, and (ii) dispatching sorted electrical energy for use at a later time.

(c) \$1,100,000 in fiscal year 2019 is from the renewable development account in the special revenue fund under Minnesota Statutes, section 116C.779, subdivision 1, for the residential biomass heating system grant program under Minnesota Statutes, section 216C.419. This is a onetime appropriation and available until June 30, 2020.

(d) Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (k), \$2,000,000 in fiscal year 2019 is appropriated from the renewable development account in the special revenue fund established in Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner for a grant to the public utility that owns the Prairie Island nuclear generation plant, for the following purposes:

(1) \$1,000,000 is to conduct a study to determine the most rapid, safe, and economical methods to remove spent nuclear fuel from the independent spent fuel storage installations at the Prairie Island and Monticello nuclear electric generating plants, including, but not limited to, an evaluation of alternative modes of transport, possible routes, and infrastructure needs; and

(2) \$1,000,000 is to support the preparation of applications by independent private parties seeking a license from the Nuclear Regulatory Commission to establish a consolidated interim storage facility that could store spent nuclear fuel currently stored at the independent spent fuel storage installations at the Monticello and Prairie Island nuclear electric generating plants.

By July 15, 2019, the public utility that owns the Prairie Island nuclear electric generating plant must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over electric utilities and to the commissioner describing the activities on which funds have been expended under this paragraph, the results or progress of any study or initiative, and future planned uses of the funds. The public utility must submit updated reports to the same persons each succeeding July 15 until all funds have been expended or unexpended funds have been returned to the account. Any funds not expended at the time of the final report must be returned to the account. This is a onetime appropriation.

Sec. 5. **PUBLIC FACILITIES AUTHORITY**

\$0

\$3,550,000

(a) \$750,000 in fiscal year 2019 is for a grant to the city of Deer River to predesign, design, engineer, and construct a stabilization pond and to predesign, design, construct, and install the replacement and expansion of storm sewer lines, sanitary sewer lines, and water lines in the city of Deer River. This appropriation is available when the commissioner of management and budget determines that resources sufficient to complete the project are committed to the project, as required in Minnesota Statutes, section 16A.502. This is a onetime appropriation and is available until the project is completed or abandoned subject to Minnesota Statutes, section 16A.642.

(b) \$600,000 in fiscal year 2019 is for a grant to the Alexandria Lake Area Sanitary District for lake management activities, including but not limited to alum treatment in Lake Agnes, carp removal in Lake Winona, and related management and reassessment measures that are intended to achieve and maintain compliance with water quality standards for phosphorus and the total maximum daily load for Lake Winona. This is a onetime appropriation and is available until June 30, 2021.

(c) \$1,100,000 in fiscal year 2019 is for a grant to the city of Cold Spring to acquire land, predesign, design, engineer, construct, furnish, and equip water infrastructure, including drilling new wells, a water treatment plant, and piping for water distribution. This is a onetime appropriation and is available until the project is completed or abandoned subject to Minnesota Statutes, section 16A.642.

(d) \$1,100,000 in fiscal year 2019 is for a grant to the Big Lake Area Sanitary District to construct a pressure sewer system and force main to convey sewage to the Western Lake Superior Sanitary District connection in the city of Cloquet. This is a onetime appropriation and is available until the project is completed or abandoned subject to Minnesota Statutes, section 16A.642.

Sec. 6. Laws 2017, chapter 94, article 1, section 2, subdivision 2, as amended by Laws 2017, First Special Session chapter 7, section 2, is amended to read:

| | | |
|--|--------------|---|
| Subd. 2. Business and Community Development | \$46,074,000 | \$ 40,935,000 <u>30,585,000</u> |
|--|--------------|---|

Appropriations by Fund

| | | |
|-----------------------|--------------|--|
| General | \$43,363,000 | \$38,424,000 <u>\$28,074,000</u> |
| Remediation | \$700,000 | \$700,000 |
| Workforce Development | \$1,861,000 | \$1,811,000 |
| Special Revenue | \$150,000 | -0- |

(a) \$4,195,000 each year is for the Minnesota job skills partnership program under Minnesota Statutes, sections 116L.01 to 116L.17. If the appropriation for either year is insufficient, the appropriation for the other year is available. This appropriation is available until spent.

(b) \$750,000 each year is for grants to the Neighborhood Development Center for small business programs:

- (1) training, lending, and business services;
- (2) model outreach and training in greater Minnesota; and
- (3) development of new business incubators.

This is a onetime appropriation.

(c) \$1,175,000 each year is for a grant to the Metropolitan Economic Development Association (MEDA) for statewide business development and assistance services, including services to entrepreneurs with businesses that have the potential to create job opportunities for unemployed and underemployed people, with an emphasis on minority-owned businesses. This is a onetime appropriation.

(d) \$125,000 each year is for a grant to the White Earth Nation for the White Earth Nation Integrated Business Development System to provide business assistance with workforce development, outreach, technical assistance, infrastructure and operational support, financing, and other business development activities. This is a onetime appropriation.

(e)(1) ~~\$12,500,000 each year is in fiscal year 2018 and \$7,500,000 in fiscal year 2019~~ are for the Minnesota investment fund under Minnesota Statutes, section 116J.8731. Of this amount, the commissioner of employment and economic development may use up to three percent for administration and monitoring of the

program. This appropriation is available until spent. In fiscal year 2020, the base amount is \$12,500,000. For fiscal year 2021 and beyond, the base amount is \$9,500,000.

(2) Of the amount appropriated in fiscal year 2018, \$4,000,000 is for a loan to construct and equip a wholesale electronic component distribution center investing a minimum of \$200,000,000 and constructing a facility at least 700,000 square feet in size. Loan funds may be used for purchases of materials, supplies, and equipment for the construction of the facility and are available from July 1, 2017, to June 30, 2021. The commissioner of employment and economic development shall forgive the loan after verification that the project has satisfied performance goals and contractual obligations as required under Minnesota Statutes, section 116J.8731.

(3) Of the amount appropriated in fiscal year 2018, \$700,000 is for a loan to extend an effluent pipe that will deliver reclaimed water to an innovative waste-to-biofuel project investing a minimum of \$150,000,000 and constructing a facility that is designed to process approximately 400,000 tons of waste annually. Loan funds are available until June 30, 2021.

(4) Of the amount appropriated in fiscal year 2019, \$2,000,000 is for one or more grants to Florence Township in Goodhue County to predesign, design, engineer, construct, and install infrastructure for storm water protection, wells, roads, public safety, and power access in southeastern Minnesota, in partnership with a tribal government and a nonprofit organization, to enable future economic development and increase economic activity in southeastern Minnesota. The grant recipient must provide a nonstate contribution in an amount at least equal to the grant. This portion of the appropriation is available until the project is completed or abandoned subject to Minnesota Statutes, section 16A.642.

(5) Of the amount appropriated in fiscal year 2019, \$500,000 is for a grant to Mille Lacs County to provide loans as described in Minnesota Statutes, section 116J.8731, for eligible projects located within one of the follow municipalities surrounding Lake Mille Lacs:

(i) in Crow Wing County, the city of Garrison, township of Garrison, or township of Roosevelt;

(ii) in Aitkin County, the township of Hazelton, township of Wealthwood, township of Malmo, or township of Lakeside; or

(iii) in Mille Lacs County, the city of Isle, city of Wahkon, city of Onamia, township of East Side, township of Isle Harbor, township of South Harbor, or township of Kathio.

(6) Of the amount appropriated in fiscal year 2019, \$500,000 is for a grant to the city of Minnetonka for a high-risk, high-return jobs retention and creation initiative to be conducted by a local organization that produces lactic acid/lactate, to help grow and expand the bioeconomy in Minnesota. The grant under this clause is not subject to the limitations under Minnesota Statutes, section 116J.8731, subdivision 5, or the performance goals and contractual obligations under Minnesota Statutes, section 116J.8731, subdivision 7.

(7) Of the amount appropriated in fiscal year 2019, \$500,000 is for a loan to a paper mill in Duluth to support the operation and manufacture of packaging paper grades. The company that owns the paper mill must spend \$15,000,000 on expansion activities by December 31, 2019, in order to be eligible to receive funds under this appropriation. Appropriation funds may be used for the mill's equipment, materials, supplies, and other operating expenses. The commissioner of employment and economic development shall forgive a portion of the loan each year after verification that the mill has retained 195 full-time jobs over a period of five years and has satisfied other performance goals and contractual obligations as required under Minnesota Statutes, section 116J.8731.

(f) \$8,500,000 each year is in fiscal year 2018 and \$1,500,000 in fiscal year 2019 are for the Minnesota job creation fund under Minnesota Statutes, section 116J.8748. Of this amount, the commissioner of employment and economic development may use up to three percent for administrative expenses. This appropriation is available until expended. In fiscal year 2020 and beyond, the base amount is \$8,000,000. In fiscal year 2021 and beyond, the base amount is \$5,000,000.

(g) \$1,647,000 each year is for contaminated site cleanup and development grants under Minnesota Statutes, sections 116J.551 to 116J.558. This appropriation is available until spent. In fiscal year 2020 and beyond, the base amount is \$1,772,000.

(h) \$12,000 each year is for a grant to the Upper Minnesota Film Office.

(i) \$163,000 each year is for the Minnesota Film and TV Board. The appropriation in each year is available only upon receipt by the board of \$1 in matching contributions of money or in-kind contributions from nonstate sources for every \$3 provided by this appropriation, except that each year up to \$50,000 is available on July 1 even if the required matching contribution has not been received by that date.

(j) \$500,000 each year is from the general fund for a grant to the Minnesota Film and TV Board for the film production jobs program under Minnesota Statutes, section 116U.26. This appropriation is available until June 30, 2021.

(k) \$139,000 each year is for a grant to the Rural Policy and Development Center under Minnesota Statutes, section 116J.421.

(l)(1) ~~\$1,300,000 each year is in fiscal year 2018 and \$2,200,000 in fiscal year 2019~~ are for the greater Minnesota business development public infrastructure grant program under Minnesota Statutes, section 116J.431. This appropriation is available until spent. If the appropriation for either year is insufficient, the appropriation for the other year is available. In fiscal year 2020 and beyond, the base amount is \$1,787,000. Funds available under this paragraph may be used for site preparation of property owned and to be used by private entities.

(2) Of the amounts appropriated, \$1,600,000 in fiscal year 2018 is for a grant to the city of Thief River Falls to support utility extensions, roads, and other public improvements related to the construction of a wholesale electronic component distribution center at least 700,000 square feet in size and investing a minimum of \$200,000,000. Notwithstanding Minnesota Statutes, section 116J.431, a local match is not required. Grant funds are available from July 1, 2017, to June 30, 2021.

(m) \$876,000 the first year and \$500,000 the second year are for the Minnesota emerging entrepreneur loan program under Minnesota Statutes, section 116M.18. Funds available under this paragraph are for transfer into the emerging entrepreneur program special revenue fund account created under Minnesota Statutes, chapter 116M, and are available until spent. Of this amount, up to four percent is for administration and monitoring of the program. In fiscal year 2020 and beyond, the base amount is \$1,000,000.

(n) \$875,000 each year is for a grant to Enterprise Minnesota, Inc. for the small business growth acceleration program under Minnesota Statutes, section 116O.115. This is a onetime appropriation.

(o) \$250,000 in fiscal year 2018 is for a grant to the Minnesota Design Center at the University of Minnesota for the greater Minnesota community design pilot project.

(p) \$275,000 in fiscal year 2018 is from the general fund to the commissioner of employment and economic development for a grant to Community and Economic Development Associates (CEDA) for an economic development study and analysis of the effects of current and projected economic growth in southeast Minnesota. CEDA shall report on the findings and

recommendations of the study to the committees of the house of representatives and senate with jurisdiction over economic development and workforce issues by February 15, 2019. All results and information gathered from the study shall be made available for use by cities in southeast Minnesota by March 15, 2019. This appropriation is available until June 30, 2020.

(q) \$2,000,000 in fiscal year 2018 is for a grant to Pillsbury United Communities for construction and renovation of a building in north Minneapolis for use as the "North Market" grocery store and wellness center, focused on offering healthy food, increasing health care access, and providing job creation and economic opportunities in one place for children and families living in the area. To the extent possible, Pillsbury United Communities shall employ individuals who reside within a five mile radius of the grocery store and wellness center. This appropriation is not available until at least an equal amount of money is committed from nonstate sources. This appropriation is available until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642.

(r) \$1,425,000 each year is for the business development competitive grant program. Of this amount, up to five percent is for administration and monitoring of the business development competitive grant program. All grant awards shall be for two consecutive years. Grants shall be awarded in the first year.

(s) \$875,000 each year is for the host community economic development grant program established in Minnesota Statutes, section 116J.548.

(t) \$700,000 each year is from the remediation fund for contaminated site cleanup and development grants under Minnesota Statutes, sections 116J.551 to 116J.558. This appropriation is available until spent.

(u) \$161,000 each year is from the workforce development fund for a grant to the Rural Policy and Development Center. This is a onetime appropriation.

(v) \$300,000 each year is from the workforce development fund for a grant to Enterprise Minnesota, Inc. This is a onetime appropriation.

(w) \$50,000 in fiscal year 2018 is from the workforce development fund for a grant to Fighting Chance for behavioral intervention programs for at-risk youth.

(x) \$1,350,000 each year is from the workforce development fund for job training grants under Minnesota Statutes, section 116L.42.

(y)(1) \$519,000 in fiscal year 2018 is and \$750,000 in fiscal year 2019 are for grants to local communities to increase the supply of quality child care providers in order to support economic development. At least 60 percent of grant funds must go to communities located outside of the seven-county metropolitan area, as defined under Minnesota Statutes, section 473.121, subdivision 2. Grant recipients must obtain a 50 percent nonstate match to grant funds in either cash or in-kind contributions. Grant funds available under this paragraph must be used to implement solutions to reduce the child care shortage in the state including but not limited to funding for child care business start-ups or expansions, training, facility modifications or improvements required for licensing, and assistance with licensing and other regulatory requirements. In awarding grants, the commissioner must give priority to communities that have documented a shortage of child care providers in the area. At least half of the money appropriated in fiscal year 2019 is reserved for new grant recipients. The base amount in fiscal year 2020 and beyond is \$0.

(2) Within one year of receiving grant funds, grant recipients must report to the commissioner on the outcomes of the grant program including but not limited to the number of new providers, the number of additional child care provider jobs created, the number of additional child care slots, and the amount of local funds invested.

(3) By January 1 of each year, starting in 2019, the commissioner must report to the standing committees of the legislature having jurisdiction over child care and economic development on the outcomes of the program to date.

(z) \$319,000 in fiscal year 2018 is from the general fund for a grant to the East Phillips Improvement Coalition to create the East Phillips Neighborhood Institute (EPNI) to expand culturally tailored resources that address small business growth and create green jobs. The grant shall fund the collaborative work of Tamales y Bicicletas, Little Earth of the United Tribes, a nonprofit serving East Africans, and other coalition members towards developing EPNI as a community space to host activities including, but not limited to, creation and expansion of small businesses, culturally specific entrepreneurial activities, indoor urban farming, job training, education, and skills development for residents of this low-income, environmental justice designated neighborhood. Eligible uses for grant funds include, but are not limited to, planning and start-up costs, staff and consultant costs, building improvements, rent, supplies, utilities, vehicles, marketing, and program activities. The commissioner shall submit a report on grant activities and quantifiable outcomes to the committees of the house of representatives and the senate with jurisdiction over economic development by December 15, 2020. This appropriation is available until June 30, 2020.

(aa) \$150,000 the first year is from the renewable development account in the special revenue fund established in Minnesota Statutes, section 116C.779, subdivision 1, to conduct the biomass facility closure economic impact study.

(bb)(1) \$300,000 in fiscal year 2018 is for a grant to East Side Enterprise Center (ESEC) to expand culturally tailored resources that address small business growth and job creation. This appropriation is available until June 30, 2020. The appropriation shall fund the work of African Economic Development Solutions, the Asian Economic Development Association, the Dayton's Bluff Community Council, and the Latino Economic Development Center in a collaborative approach to economic development that is effective with smaller, culturally diverse communities that seek to increase the productivity and success of new immigrant and minority populations living and working in the community. Programs shall provide minority business growth and capacity building that generate wealth and jobs creation for local residents and business owners on the East Side of St. Paul.

(2) In fiscal year 2019 ESEC shall use funds to share its integrated service model and evolving collaboration principles with civic and economic development leaders in greater Minnesota communities which have diverse populations similar to the East Side of St. Paul. ESEC shall submit a report of activities and program outcomes, including quantifiable measures of success annually to the house of representatives and senate committees with jurisdiction over economic development.

(cc) \$150,000 in fiscal year 2018 is for a grant to Mille Lacs County for the purpose of reimbursement grants to small resort businesses located in the city of Isle with less than \$350,000 in annual revenue, at least four rental units, which are open during both summer and winter months, and whose business was adversely impacted by a decline in walleye fishing on Lake Mille Lacs.

(dd)(1) \$250,000 in fiscal year 2018 is for a grant to the Small Business Development Center hosted at Minnesota State University, Mankato, for a collaborative initiative with the Regional Center for Entrepreneurial Facilitation. Funds available under this section must be used to provide entrepreneur and small business development direct professional business assistance services in the following counties in Minnesota: Blue Earth, Brown, Faribault, Le Sueur, Martin, Nicollet, Sibley, Watonwan, and Waseca. For the purposes of this section, "direct professional business assistance services" must include, but is not limited to, pre-venture assistance for individuals considering starting a business. This appropriation is not available until the commissioner determines that an equal amount is committed from nonstate sources. Any balance in the first year does not cancel and is available for expenditure in the second year.

(2) Grant recipients shall report to the commissioner by February 1 of each year and include information on the number of customers served in each county; the number of businesses started, stabilized, or expanded; the number of jobs created and retained; and business success rates in each county. By April 1 of each year, the commissioner shall report the information submitted by grant recipients to the chairs of the standing committees of the house of representatives and the senate having jurisdiction over economic development issues.

(ee) \$500,000 in fiscal year 2018 is for the central Minnesota opportunity grant program established under Minnesota Statutes, section 116J.9922. This appropriation is available until June 30, 2022.

(ff) \$25,000 each year is for the administration of state aid for the Destination Medical Center under Minnesota Statutes, sections 469.40 to 469.47.

Sec. 7. Laws 2017, chapter 94, article 1, section 4, subdivision 3, is amended to read:

| | | |
|--|-----------|----------------------|
| Subd. 3. Labor Standards and Apprenticeship | 3,645,000 | 3,668,000 |
| | | <u>3,868,000</u> |

Appropriations by Fund

| | | |
|-----------------------|-----------|----------------------|
| General | 1,776,000 | 1,790,000 |
| | | <u>1,990,000</u> |
| Workforce Development | 1,869,000 | 1,878,000 |

(a) \$500,000 each year is from the general fund in fiscal year 2018 and \$700,000 in fiscal year 2019 are for wage theft prevention under the division of labor standards.

(b) \$100,000 each year is from the workforce development fund for labor education and advancement program grants under Minnesota Statutes, section 178.11, to expand and promote registered apprenticeship training for minorities and women.

(c) \$300,000 each year is from the workforce development fund for the PIPELINE program.

(d) \$200,000 each year is from the workforce development fund for grants to the Construction Careers Foundation for the Helmets to Hardhats Minnesota initiative. Grant funds must be used to recruit, retain, assist, and support National Guard, reserve, and active duty military members' and veterans' participation into apprenticeship programs registered with the Department of Labor and Industry and connect them with career training and employment in the building and construction industry. The recruitment, selection, employment, and training must be without discrimination due to race, color, creed, religion, national origin,

sex, sexual orientation, marital status, physical or mental disability, receipt of public assistance, or age. This is a onetime appropriation.

(e) \$1,029,000 each year is from the workforce development fund for the apprenticeship program under Minnesota Statutes, chapter 178.

(f) \$150,000 each year is from the workforce development fund for prevailing wage enforcement.

Sec. 8. Laws 2017, chapter 94, article 1, section 4, subdivision 5, is amended to read:

| | | |
|---------------------------------|-----------|-----------|
| Subd. 5. General Support | 6,239,000 | 6,539,000 |
|---------------------------------|-----------|-----------|

Appropriations by Fund

| | | |
|-----------------------|-----------|-----------|
| Workforce Development | | |
| Fund | 200,000 | 500,000 |
| Workers' Compensation | 6,039,000 | 6,039,000 |

(a) Except as provided in paragraphs (b) and (c), this appropriation is from the workers' compensation fund.

(b) \$200,000 in fiscal year 2018 is from the workforce development fund for the commissioner of labor and industry to convene and collaborate with stakeholders as provided under Minnesota Statutes, section 175.46, subdivision 3, and to develop youth skills training competencies for approved occupations. This is a onetime appropriation.

(c) \$500,000 in fiscal year 2019 is from the workforce development fund to administer the youth skills training program under Minnesota Statutes, section 175.46. The commissioner shall award up to five grants each year to local partnerships located throughout the state, not to exceed \$100,000 per local partnership grant. The commissioner may use a portion of this appropriation for administration of the grant program. The base amount for this program is ~~\$500,000~~ \$750,000 each year beginning in fiscal year 2020.

ARTICLE 2
ECONOMIC DEVELOPMENT

Section 1. Minnesota Statutes 2017 Supplement, section 298.227, is amended to read:

298.227 TACONITE ECONOMIC DEVELOPMENT FUND.

An amount equal to that distributed pursuant to each taconite producer's taxable production and qualifying sales under section 298.28, subdivision 9a, shall be held by the commissioner of Iron Range resources and rehabilitation in a separate taconite economic development fund for each taconite and direct reduced ore producer. Money from the fund for each producer shall be released by the commissioner after review by a joint committee consisting of an equal number of representatives of the salaried employees and the nonsalaried production and maintenance

employees of that producer. The District 11 director of the United States Steelworkers of America, on advice of each local employee president, shall select the employee members. In nonorganized operations, the employee committee shall be elected by the nonsalaried production and maintenance employees. The review must be completed no later than six months after the producer presents a proposal for expenditure of the funds to the committee. The funds held pursuant to this section may be released only for workforce development ~~and associated public facility improvement~~, concurrent reclamation, ~~or for acquisition of plant and stationary mining equipment and facilities for the producer or for research and development in Minnesota on new mining, or taconite, iron, or steel production technology, but only if the producer provides a matching expenditure equal to the amount of the distribution to be used for the same purpose beginning with distributions in 2014. Effective for proposals for expenditures of money from the fund beginning May 26, 2007, the commissioner may not release the funds before the next scheduled meeting of the board.~~ If a proposed expenditure is not approved by the commissioner, after consultation with the advisory board, the funds must be deposited in the Taconite Environmental Protection Fund under sections 298.222 to 298.225. If a taconite production facility is sold after operations at the facility had ceased, any money remaining in the fund for the former producer may be released to the purchaser of the facility on the terms otherwise applicable to the former producer under this section. If a producer fails to provide matching funds for a proposed expenditure within six months after the commissioner approves release of the funds, the funds ~~are available for release to another producer in proportion to the distribution provided and under the conditions of this section~~ may be released by the commissioner for deposit in the taconite area environmental protection fund created in section 298.223. Any portion of the fund which is not released by the commissioner within one year of its deposit in the fund shall be ~~divided between~~ distributed to the taconite environmental protection fund created in section 298.223 and the Douglas J. Johnson economic protection trust fund created in section 298.292 for placement in their respective special accounts. ~~Two thirds of the unreleased funds shall be distributed to the taconite environmental protection fund and one third to the Douglas J. Johnson economic protection trust fund.~~

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

Sec. 2. Minnesota Statutes 2016, section 298.28, subdivision 9a, is amended to read:

Subd. 9a. **Taconite economic development fund.** (a) 25.1 cents per ton for distributions in 2002 and thereafter must be paid to the taconite economic development fund. No distribution shall be made under this paragraph in 2004 or any subsequent year in which total industry production falls below 30 million tons. Distribution shall only be made to a Minnesota taconite pellet producer's fund under section 298.227 if the producer timely pays its tax under section 298.24 by the dates provided under section 298.27, or pursuant to the due dates provided by an administrative agreement with the commissioner.

(b) An amount equal to 50 percent of the tax under section 298.24 for concentrate sold in the form of pellet chips and fines not exceeding 5/16 inch in size and not including crushed pellets shall be paid to the taconite economic development fund. The amount paid shall not exceed \$700,000 annually for all ~~companies~~ Minnesota taconite pellet producers. If the initial amount to be paid to the fund exceeds this amount, each ~~company's~~ Minnesota taconite pellet producer's payment shall be prorated so the total does not exceed \$700,000.

EFFECTIVE DATE. This section is effective retroactively from December 31, 2016.

Sec. 3. **TRANSFER 2018 DISTRIBUTION ONLY.**

For the 2018 distribution, the fund established under Minnesota Statutes, section 298.28, subdivision 7, shall receive ten cents per ton of any excess of the balance remaining after distribution of amounts required under Minnesota Statutes, section 298.28, subdivision 6.

EFFECTIVE DATE. This section is effective for the 2018 distribution, and the transfer must be made within ten days of the August 2018 payment.

Sec. 4. **DISLOCATED WORKER RAPID RESPONSE ACTIVITY.**

Notwithstanding anything to the contrary, of the money appropriated to the Job Skills Partnership Board for the purposes of Minnesota Statutes, section 116L.17, under Minnesota Statutes, section 116L.20, subdivision 2, at least \$650,000 in fiscal year 2019 must be used for rapid response activities under Minnesota Statutes, section 116L.17, subdivision 10, at Career Solutions in St. Cloud, to address the substantial anticipated job losses at the Electrolux plant and in related industries affected by its closure. Grant funds may be used for, but are not limited to, GED programs, English language courses, computer literacy efforts, and training in the manufacturing and construction trades. In addition, the commissioner of employment and economic development is directed to take all necessary steps, including application for any required federal waivers, to begin providing services to affected workers before December 31, 2018.

Sec. 5. **USE OF LOCAL GOVERNMENT LOAN REPAYMENT FUNDS.**

Notwithstanding Minnesota Statutes, section 116J.8731, and any law to the contrary, a home rule charter or statutory city, county, or town may, before July 1, 2018, commit money received from the repayment of funds awarded under Minnesota Statutes, section 116J.8731, to a business revolving loan fund partially funded by the federal government. Once committed, funds may be used for any purpose allowed by the federal program.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2007.

Sec. 6. **REVISOR'S INSTRUCTION; MIF NAME CHANGE TO N-SODA.**

In Minnesota Statutes, the revisor of statutes shall change the term "Minnesota investment fund" to "North Star Opportunity and Development Account" wherever it is apparent from context that the term "Minnesota investment fund" refers to the program under Minnesota Statutes, section 116J.8731.

ARTICLE 3
ENERGY

Section 1. Minnesota Statutes 2017 Supplement, section 116C.779, subdivision 1, is amended to read:

Subdivision 1. **Renewable development account.** (a) The renewable development account is established as a separate account in the special revenue fund in the state treasury. Appropriations and transfers to the account shall be credited to the account. Earnings, such as interest, dividends, and any other earnings arising from assets of the account, shall be credited to the account. Funds remaining in the account at the end of a fiscal year are not canceled to the general fund but remain in the account until expended. The account shall be administered by the commissioner of management and budget as provided under this section.

(b) On July 1, 2017, the public utility that owns the Prairie Island nuclear generating plant must transfer all funds in the renewable development account previously established under this subdivision and managed by the public utility to the renewable development account established in paragraph (a). Funds awarded to grantees in previous grant cycles that have not yet been expended and unencumbered funds required to be paid in calendar year 2017 under paragraphs (e) and (f) and ~~(g)~~, and sections 116C.7792 and 216C.41, are not subject to transfer under this paragraph.

(c) ~~Except as provided in subdivision 1a, Beginning January 15, 2018, and continuing each January 15 thereafter, the public utility that owns the Prairie Island and Monticello nuclear generating plant plants must transfer to the renewable development account \$500,000 each year for each dry cask containing spent fuel that is located at the Prairie Island power plant for \$20,000,000 each year the either plant is in operation, and \$7,500,000 each year the plant is not in operation,~~ if ordered by the commission pursuant to paragraph ~~(i)~~ (h), \$7,500,000 each year the

Prairie Island plant is not in operation and \$5,250,000 each year the Monticello plant is not in operation. The fund transfer must be made if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility at Prairie Island or Monticello for any part of a year.

~~(d) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing each January 15 thereafter, the public utility that owns the Monticello nuclear generating plant must transfer to the renewable development account \$350,000 each year for each dry cask containing spent fuel that is located at the Monticello nuclear power plant for each year the plant is in operation, and \$5,250,000 each year the plant is not in operation if ordered by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear waste is stored in a dry cask at the independent spent fuel storage facility at Monticello for any part of a year.~~

~~(e)~~ (d) Each year, the public utility shall withhold from the funds transferred to the renewable development account under ~~paragraphs~~ paragraph (c) ~~and (d)~~ the amount necessary to pay its obligations under paragraphs (e), (f) and (g), (k), and (n), and sections 116C.7792 and 216C.41, for that calendar year.

~~(f)~~ (e) If the commission approves a new or amended power purchase agreement, the termination of a power purchase agreement, or the purchase and closure of a facility under section 216B.2424, subdivision 9, with an entity that uses poultry litter to generate electricity, the public utility subject to this section shall enter into a contract with the city in which the poultry litter plant is located to provide grants to the city for the purposes of economic development on the following schedule: \$4,000,000 in fiscal year 2018; \$6,500,000 each fiscal year in 2019 and 2020; and \$3,000,000 in fiscal year 2021. The grants shall be paid by the public utility from funds withheld from the transfer to the renewable development account, as provided in paragraphs (b) and ~~(e)~~ (d).

~~(g)~~ (f) If the commission approves a new or amended power purchase agreement, or the termination of a power purchase agreement under section 216B.2424, subdivision 9, with an entity owned or controlled, directly or indirectly, by two municipal utilities located north of Constitutional Route No. 8, that was previously used to meet the biomass mandate in section 216B.2424, the public utility that owns a nuclear generating plant shall enter into a grant contract with such entity to provide \$6,800,000 per year for five years, commencing 30 days after the commission approves the new or amended power purchase agreement, or the termination of the power purchase agreement, and on each June 1 thereafter through 2021, to assist the transition required by the new, amended, or terminated power purchase agreement. The grant shall be paid by the public utility from funds withheld from the transfer to the renewable development account as provided in paragraphs (b) and ~~(e)~~ (d).

~~(h)~~ (g) The collective amount paid under the grant contracts awarded under paragraphs (e) and (f) ~~and (g)~~ is limited to the amount deposited into the renewable development account, and its predecessor, the renewable development account, established under this section, that was not required to be deposited into the account under Laws 1994, chapter 641, article 1, section 10.

~~(i)~~ (h) After discontinuation of operation of the Prairie Island nuclear plant or the Monticello nuclear plant and each year spent nuclear fuel is stored in dry cask at the discontinued facility, the commission shall require the public utility to pay \$7,500,000 for the discontinued Prairie Island facility and \$5,250,000 for the discontinued Monticello facility for any year in which the commission finds, by the preponderance of the evidence, that the public utility did not make a good faith effort to remove the spent nuclear fuel stored at the facility to a permanent or interim storage site out of the state. This determination shall be made at least every two years.

(i) The public utility shall file annually with the commission a petition to recover all funds required to be transferred or withheld under paragraphs (c) to (f) for the next year through a rider mechanism. The commission shall approve a reasonable cost recovery schedule for all such funds.

(j) On or before January 15 of each year, the public utility shall file a petition with the commission setting forth the amounts withheld by the public utility the prior year under paragraph (d) and the amount actually paid the prior year for obligations identified in paragraph (d). If the amount actually paid is less than the amount withheld, the

public utility shall deduct the surplus from the amount withheld for the current year under paragraph (d). If the amount actually paid is more than the amount withheld, the public utility shall add the deficiency amount to the amount withheld for the current year under paragraph (d). Any surplus remaining in the account after all programs identified in paragraph (d) are terminated must be returned to the customers of the public utility.

⊕ (k) Funds in the account may be expended only for any of the following purposes:

(1) to stimulate research and development of renewable electric energy technologies;

(2) to encourage grid modernization, including, but not limited to, projects that implement electricity storage, load control, and smart meter technology; and

(3) to stimulate other innovative energy projects that reduce demand and increase system efficiency and flexibility.

Expenditures from the fund must benefit Minnesota ratepayers receiving electric service from the utility that owns a nuclear-powered electric generating plant in this state or the Prairie Island Indian community or its members.

The utility that owns a nuclear generating plant is eligible to apply for grants under this subdivision.

⊕ (l) For the purposes of paragraph ⊕ (k), the following terms have the meanings given:

(1) "renewable" has the meaning given in section 216B.2422, subdivision 1, paragraph (c), clauses (1), (2), (4), and (5); and

(2) "grid modernization" means:

(i) enhancing the reliability of the electrical grid;

(ii) improving the security of the electrical grid against cyberthreats and physical threats; and

(iii) increasing energy conservation opportunities by facilitating communication between the utility and its customers through the use of two-way meters, control technologies, energy storage and microgrids, technologies to enable demand response, and other innovative technologies.

⊕ (m) A renewable development account advisory group that includes, among others, representatives of the public utility and its ratepayers, and includes at least one representative of the Prairie Island Indian community appointed by that community's tribal council, shall develop recommendations on account expenditures. Members of the advisory group shall be chosen by the public utility. The advisory group must design a request for proposal and evaluate projects submitted in response to a request for proposals. The advisory group must utilize an independent third-party expert to evaluate proposals submitted in response to a request for proposal, including all proposals made by the public utility. A request for proposal for research and development under paragraph ⊕ (k), clause (1), may be limited to or include a request to higher education institutions located in Minnesota for multiple projects authorized under paragraph ⊕ (k), clause (1). The request for multiple projects may include a provision that exempts the projects from the third-party expert review and instead provides for project evaluation and selection by a merit peer review grant system. In the process of determining request for proposal scope and subject and in evaluating responses to request for proposals, the advisory group must strongly consider, where reasonable, potential benefit to Minnesota citizens and businesses and the utility's ratepayers.

(n) The cost of acquiring the services of the independent third-party expert described in paragraph (m) and any other reasonable costs incurred to administer the advisory group and its actions as required by this section shall be paid from funds withheld by the public utility under paragraph (d).

~~(m)~~ (o) The advisory group shall submit funding recommendations to the public utility, which has full and sole authority to determine which expenditures shall be submitted by the advisory group to the ~~legislature~~ commission. The commission may approve proposed expenditures, may disapprove proposed expenditures that it finds not to be in compliance with this subdivision or otherwise not in the public interest, and may, if agreed to by the public utility, modify proposed expenditures. The commission shall, by order, submit its funding recommendations to the legislature as provided under paragraph ~~(n)~~ (p).

~~(n)~~ (p) The commission shall present its recommended appropriations from the account to the senate and house of representatives committees with jurisdiction over energy policy and finance annually by February 15. Expenditures from the account must be appropriated by law. In enacting appropriations from the account, the legislature:

(1) may approve or disapprove, but may not modify, the amount of an appropriation for a project recommended by the commission; and

(2) may not appropriate money for a project the commission has not recommended funding.

~~(o)~~ (q) A request for proposal for renewable energy generation projects must, when feasible and reasonable, give preference to projects that are most cost-effective for a particular energy source.

~~(p)~~ (r) The advisory group must annually, by February 15, report to the chairs and ranking minority members of the legislative committees with jurisdiction over energy policy on projects funded by the account under paragraph (k) for the prior year and all previous years. The report must, to the extent possible and reasonable, itemize the actual and projected financial benefit to the public utility's ratepayers of each project.

(s) By June 1, 2018, and each June 1 thereafter, the public utility that owns the Prairie Island Nuclear Electric Generating Plant must submit to the commissioner of management and budget an estimate of the amount the public utility will deposit into the account the following January 15, based on the provisions of paragraphs (c) to (h) and any appropriations made from the fund during the most recent legislative sessions.

~~(q)~~ (t) By February 1 June 30, 2018, and each February 1 June 30 thereafter, the commissioner of management and budget shall estimate the balance in the account as of the following January 31, taking into account the balance in the account as of June 30 and the information provided under paragraph (r). By July 15, 2018, and each July 15 thereafter, the commissioner of management and budget shall submit a written report regarding the availability of funds in and obligations of the account to the chairs and ranking minority members of the senate and house committees with jurisdiction over energy policy and finance, the public utility, and the advisory group. If more than \$15,000,000 is estimated to be available in the account as of January 31, the advisory group must, by July 30, 2018, and each July 30 thereafter, issue a request for proposals to initiate a grant cycle for the purposes of paragraph (k).

~~(r)~~ (u) A project receiving funds from the account must produce a written final report that includes sufficient detail for technical readers and a clearly written summary for nontechnical readers. The report must include an evaluation of the project's financial, environmental, and other benefits to the state and the public utility's ratepayers.

~~(s)~~ (v) Final reports, any mid-project status reports, and renewable development account financial reports must be posted online on a public Web site designated by the commissioner of commerce.

(+) (w) All final reports must acknowledge that the project was made possible in whole or part by the Minnesota renewable development account, noting that the account is financed by the public utility's ratepayers.

(+) (x) Of the amount in the renewable development account, priority must be given to making the payments required under section 216C.417.

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

Sec. 2. Minnesota Statutes 2017 Supplement, section 116C.7792, is amended to read:

116C.7792 SOLAR ENERGY INCENTIVE PROGRAM.

The utility subject to section 116C.779 shall operate a program to provide solar energy production incentives for solar energy systems of no more than a total aggregate nameplate capacity of ~~20~~ 40 kilowatts direct current per premises. The owner of a solar energy system installed before June 1, 2018, is eligible to receive a production incentive under this section for any additional solar energy systems constructed at the same customer location, provided the aggregate capacity of all systems at the customer location does not exceed 40 kilowatts. The program shall be operated for eight consecutive calendar years commencing in 2014. \$5,000,000 shall be allocated in each of the first four years, \$15,000,000 in the fifth year, \$10,000,000 in each of the sixth and seventh years, and \$5,000,000 in the eighth year from funds withheld from transfer to the renewable development account under section 116C.779, subdivision 1, ~~paragraphs (b) and (e) paragraph (d)~~, and placed in a separate account for the purpose of the solar production incentive program operated by the utility and not for any other program or purpose. Any unspent amount allocated in the fifth year is available until December 31 of the sixth year. Any unspent amount remaining at the end of an allocation year must be transferred to the renewable development account or returned to customers. The solar system must be sized to less than 120 percent of the customer's on-site annual energy consumption when combined with other distributed generation resources and subscriptions provided under section 216B.1641 associated with the premise. The production incentive must be paid for ten years commencing with the commissioning of the system. The utility must file a plan to operate the program with the commissioner of commerce. The utility may not operate the program until it is approved by the commissioner. A change to the program to include projects up to a nameplate capacity of 40 kilowatts or less does not require the utility to file a plan with the commissioner. Any plan approved by the commissioner of commerce must not provide an increased incentive scale over prior years unless the commissioner demonstrates that changes in the market for solar energy facilities require an increase.

EFFECTIVE DATE. This section is effective June 1, 2018.

Sec. 3. **[116C.7793] PRAIRIE ISLAND NET ZERO PROJECT.**

Subdivision 1. **Program established.** The Prairie Island Net Zero Project is established with the goal of the Prairie Island Indian Community developing an energy system that results in net zero emissions.

Subd. 2. **Grant.** The commissioner of employment and economic development shall enter into a grant contract with the Prairie Island Indian Community to provide \$20,000,000 on July 1, 2018, and \$5,000,000 each year thereafter for four years to stimulate research, development, and implementation of renewable energy projects benefitting the Prairie Island Indian Community or its members.

Subd. 3. **Plan; report.** The Prairie Island Indian Community shall file a plan with the commissioner of employment and economic development no later than July 1, 2019, describing the Prairie Island Net Zero Project elements and implementation strategy. The Prairie Island Indian Community shall file a report on July 1, 2020, and each July 1 thereafter through 2023, describing the progress made in implementing the project and the use of funds expended.

Subd. 4. **Appropriation.** Notwithstanding section 116C.779, subdivision 1, paragraph (k), \$20,000,000 is appropriated in fiscal year 2019 and \$5,000,000 is appropriated each year in fiscal years 2020, 2021, 2022, and 2023, from the renewable development account under section 116C.779, subdivision 1, to the commissioner of employment and economic development for a grant to the Prairie Island Indian Community for the purposes of this section. Any funds remaining at the end of a fiscal year do not cancel to the renewable development account but remain available until spent. This subdivision expires upon the last transfer of funds to the commissioner.

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

Sec. 4. Minnesota Statutes 2016, section 216A.03, is amended by adding a subdivision to read:

Subd. 10. **Offices.** The Public Utilities Commission's offices must be located in Virginia, Minnesota.

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

Sec. 5. Minnesota Statutes 2016, section 216B.16, is amended by adding a subdivision to read:

Subd. 13a. **Pension rate base.** The commission must allow a public utility to include in the rate base and recover from ratepayers the costs incurred to contribute to employee pensions, including (1) accumulated contributions in excess of net periodic benefit costs, and (2) contributions necessary to comply with the federal Pension Protection Act of 2006 and other applicable federal and state pension funding requirements. A public utility is authorized to track for future recovery any unrecoverable return of pension rate base costs and investments at the return on investment level established in the public utility's last general rate case that have been incurred during the period between general rate cases.

Sec. 6. Minnesota Statutes 2017 Supplement, section 216B.164, subdivision 5, is amended to read:

Subd. 5. **Dispute; resolution.** (a) In the event of ~~disputes~~ a dispute between a qualifying facility and a public utility ~~and a qualifying facility~~ or a cooperative electric association that has not elected to resolve disputes under subdivision 11, either party may request a determination of the issue by the commission. In any such determination, the burden of proof ~~shall be~~ is on the public utility or cooperative electric association. The commission in its order resolving each such dispute shall require payments to the prevailing party of the prevailing party's costs, disbursements, and reasonable attorneys' fees, except that the qualifying facility will be required to pay the costs, disbursements, and attorneys' fees of the public utility or cooperative electric association only if the commission finds that the claims of the qualifying facility in the dispute have been made in bad faith, or are a sham, or are frivolous.

(b) Notwithstanding subdivisions 9 and 11, a qualifying facility over 20 megawatts may, until December 31, 2022, request that the commission resolve a dispute with any utility, including a cooperative electric association or municipal utility, under paragraph (a).

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

Sec. 7. Minnesota Statutes 2017 Supplement, section 216B.1691, subdivision 2f, is amended to read:

Subd. 2f. **Solar energy standard.** (a) In addition to the requirements of subdivisions 2a and 2b, each public utility shall generate or procure sufficient electricity generated by solar energy to serve its retail electricity customers in Minnesota so that by the end of 2020, at least 1.5 percent of the utility's total retail electric sales to retail customers in Minnesota is generated by solar energy.

(b) For a public utility with more than 200,000 retail electric customers, at least ten percent of the 1.5 percent goal must be met by solar energy generated by or procured from solar photovoltaic devices with a nameplate capacity of ~~20~~ 40 kilowatts or less.

(c) A public utility with between 50,000 and 200,000 retail electric customers:

(1) must meet at least ten percent of the 1.5 percent goal with solar energy generated by or procured from solar photovoltaic devices with a nameplate capacity of 40 kilowatts or less; and

(2) may apply toward the ten percent goal in clause (1) individual customer subscriptions of 40 kilowatts or less to a community solar garden program operated by the public utility that has been approved by the commission.

(d) The solar energy standard established in this subdivision is subject to all the provisions of this section governing a utility's standard obligation under subdivision 2a.

(e) It is an energy goal of the state of Minnesota that, by 2030, ten percent of the retail electric sales in Minnesota be generated by solar energy.

(f) For the purposes of calculating the total retail electric sales of a public utility under this subdivision, there shall be excluded retail electric sales to customers that are:

(1) an iron mining extraction and processing facility, including a scam mining facility as defined in Minnesota Rules, part 6130.0100, subpart 16; or

(2) a paper mill, wood products manufacturer, sawmill, or oriented strand board manufacturer.

Those customers may not have included in the rates charged to them by the public utility any costs of satisfying the solar standard specified by this subdivision.

(g) A public utility may not use energy used to satisfy the solar energy standard under this subdivision to satisfy its standard obligation under subdivision 2a. A public utility may not use energy used to satisfy the standard obligation under subdivision 2a to satisfy the solar standard under this subdivision.

(h) Notwithstanding any law to the contrary, a solar renewable energy credit associated with a solar photovoltaic device installed and generating electricity in Minnesota after August 1, 2013, but before 2020 may be used to meet the solar energy standard established under this subdivision.

(i) Beginning July 1, 2014, and each July 1 through 2020, each public utility shall file a report with the commission reporting its progress in achieving the solar energy standard established under this subdivision.

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

Sec. 8. **[216B.1697] CARBON REDUCTION FACILITIES; NUCLEAR ENERGY.**

Subdivision 1. Qualifying facilities. An existing large electric generating power plant, as defined in section 216B.2421, subdivision 2, clause (1), employing nuclear technology to generate electricity qualifies for designation as a carbon reduction facility as provided in this section.

Subd. 2. Proposal submission. (a) A public utility may submit a proposal to the commission for designation of a qualifying facility as a carbon reduction facility under this section. The proposal must be filed within a public utility's new resource plan filing no earlier than February 1, 2019. The proposal shall include:

(1) a showing that the facility meets the requirements of subdivision 1;

(2) a proposed statement of the total expected costs, including, but not limited to, capital investments and operation and maintenance costs associated with the operation of the facility. The total expected costs shall cover a period not to exceed the planning period of the public utility's new resource plan;

(3) details about all costs currently included in rates, current operating costs if different than those currently included in rates, and an evaluation of the utility's forecasted costs prepared by an independent evaluator; and

(4) an analysis of how the proposed capital investments and operation and maintenance costs would impact rates if that impact is different than any described in the utility's most recently filed resource plan.

(b) If the information submitted in the original proposal changes because it was unknown and not capable of being known at the time of the original proposal, a utility may at any time file additional proposals for the same facility.

(c) The proposal may ask the commission to establish a sliding scale rate-of-return mechanism for the capital investments to provide an additional incentive for the utility to complete the project at or under the proposed costs.

Subd. 3. Proposal approval. (a) The commission shall approve, reject, or modify the proposed designation of the facility and the total expected costs submitted by the public utility. The commission shall make a final determination on the proposed designation concurrent with its order in the resource plan, or sooner, should the commission determine that it is in the public interest.

(b) When conducting the review in paragraph (a), the commission shall allow intervention by the Department of Commerce, the Office of the Attorney General, ratepayer advocates, the Prairie Island and Monticello communities, and other interested parties. The public utility shall pay the costs of any nuclear expert retained by the Department of Commerce.

(c) To the extent the commission modifies the proposal, the utility may choose whether to accept the modifications. If the utility does not accept the modifications, the commission shall deem the proposal withdrawn.

(d) With respect to any carbon reduction facility, the approval shall constitute a finding of prudence for the total expected costs contained in the proposal, meaning that the utility shall be entitled to recover, through a subsequent rate case, any actual costs not in excess of the total expected costs provided in its proposal for designation as a carbon reduction facility.

(e) Upon approval of a proposed designation of a facility and the total expected costs submitted by the utility, the utility shall provide biennial updates to the commission regarding its progress with respect to adhering to the approved costs. The commission may issue orders it deems necessary to ensure that the carbon reduction facility remains cost-effective for customers and financially viable for the utility.

Sec. 9. Minnesota Statutes 2016, section 216B.243, subdivision 8, is amended to read:

Subd. 8. **Exemptions.** (a) This section does not apply to:

(1) cogeneration or small power production facilities as defined in the Federal Power Act, United States Code, title 16, section 796, paragraph (17), subparagraph (A), and paragraph (18), subparagraph (A), and having a combined capacity at a single site of less than 80,000 kilowatts; plants or facilities for the production of ethanol or fuel alcohol; or any case where the commission has determined after being advised by the attorney general that its application has been preempted by federal law;

(2) a high-voltage transmission line proposed primarily to distribute electricity to serve the demand of a single customer at a single location, unless the applicant opts to request that the commission determine need under this section or section 216B.2425;

(3) the upgrade to a higher voltage of an existing transmission line that serves the demand of a single customer that primarily uses existing rights-of-way, unless the applicant opts to request that the commission determine need under this section or section 216B.2425;

(4) a high-voltage transmission line of one mile or less required to connect a new or upgraded substation to an existing, new, or upgraded high-voltage transmission line;

(5) conversion of the fuel source of an existing electric generating plant to using natural gas;

(6) the modification of an existing electric generating plant to increase efficiency, as long as the capacity of the plant is not increased more than ten percent or more than 100 megawatts, whichever is greater;

(7) a wind energy conversion system or solar electric generation facility if the system or facility is owned and operated by an independent power producer and the electric output of the system or facility is not sold to an entity that provides retail service in Minnesota or wholesale electric service to another entity in Minnesota other than an entity that is a federally recognized regional transmission organization or independent system operator; or

(8) a large wind energy conversion system, as defined in section 216F.01, subdivision 2, or a solar energy generating ~~large energy facility, system~~ as defined in section ~~216B.2421, subdivision 2,~~ 216E.01, subdivision 9a, with a nameplate capacity of five megawatts or more, including systems that are engaging in a repowering project ~~that:~~

~~(i) will not result in the facility exceeding the nameplate capacity under its most recent interconnection agreement; or~~

~~(ii) will result in the facility exceeding the nameplate capacity under its most recent interconnection agreement, provided that the Midcontinent Independent System Operator has provided a signed generator interconnection agreement that reflects the expected net power increase.~~

(b) For the purpose of this subdivision, "repowering project" means:

(1) modifying a large wind energy conversion system or a solar energy generating large energy facility to increase its efficiency ~~without increasing its nameplate capacity;~~

(2) replacing turbines in a large wind energy conversion system ~~without increasing the nameplate capacity of the system;~~ or

(3) increasing the nameplate capacity of a large wind energy conversion system.

(c) Nothing in paragraph (a), clause (8), authorizes a large wind energy conversion system or a solar energy generating system to exceed any limitation imposed on it by an interconnection agreement regarding the amount of energy generated by the large wind energy conversion system or solar energy generating system or the amount of nameplate capacity it injects into the transmission system.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to a large wind energy conversion system or a solar energy generating system that has not received a final decision on a certificate of need application filed with the commission before that date.

Sec. 10. **[216C.419] RESIDENTIAL BIOMASS HEATING SYSTEM GRANT PROGRAM.**

Subdivision 1. **Definition.** For purposes of this section, the following definitions have the meanings given.

(a) "Homeowner" means the owner of a residential homestead, as defined in section 273.124, subdivision 1, paragraph (a), or the owner of an agricultural homestead, as defined in section 273.13, subdivision 23, paragraph (a).

(b) "Residential biomass heating system" means:

(1) a pellet stove or wood heater, as defined in Code of Federal Regulations, title 40, section 60.531; or

(2) a residential forced-air furnace or residential hydronic heater, as defined in Code of Federal Regulations, title 40, section 60.5473.

Subd. 2. **Establishment.** A grant program is established under the Department of Commerce to award grants to homeowners to fund the purchase and installation of a residential biomass heating system.

Subd. 3. **Eligible expenditures.** (a) Grants awarded to a homeowner under this section may be used to pay up to the lesser of 33 percent of the cost to purchase and install a residential biomass heating system in the homeowner's residence, or \$5,000.

(b) A grant must not be awarded under this section to a homeowner for a residential biomass heating system that is not certified by the federal Environmental Protection Agency as meeting the 2015 New Source Performance Standards for air emissions for these heating systems, contained in Code of Federal Regulations, title 40, part 60, subparts AAA and QQQQ, as applicable.

Subd. 4. **Application process.** A homeowner must submit an application to the commissioner on a form prescribed by the commissioner. The commissioner must develop administrative procedures governing the application and grant award process, and must award grants on a first-come, first-served basis.

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

Sec. 11. **[216C.437] LOCAL GOVERNMENT EMERALD ASH BORER REMOVAL GRANT PROGRAM.**

Subdivision 1. **Establishment.** The Department of Commerce must establish a program to:

(1) assist eligible local units of government collect and dispose of the wood waste created when ash trees are removed from public land due to either (i) emerald ash borer infestation, or (ii) an emerald ash borer management program;

(2) award grants to process the wood waste into usable biomass fuel, properly transport the biomass fuel to an eligible district heating and cooling system cogeneration facility, and use the biomass fuel to generate electricity and thermal energy; and

(3) reduce the biomass fuel costs passed through by an eligible heating and cooling system cogeneration facility to the public utility that owns the Prairie Island nuclear generating plant.

Subd. 2. **Eligibility.** In order to be eligible for the program under subdivision 1, an applicant must be a district heating and cooling system cogeneration facility that:

(1) is located in the city of St. Paul;

(2) operates as a nonprofit entity;

(3) accepts wood waste from a local unit of government that is:

(i) located within the service area of the public utility that is subject to section 116C.779;

(ii) located in a county or portion of a county that has been designated by the commissioner of agriculture as quarantined with respect to the transportation of woody materials from ash trees due to demonstrated emerald ash borer infestation; and

(iii) responsible for the removal of diseased ash trees from public lands within its jurisdiction; and

(4) uses biomass fuel to generate electricity and thermal energy.

Subd. 3. **Eligible expenditures.** (a) Grants may be awarded under this section to an eligible recipient under subdivision 2 to:

(1) process into acceptable biomass fuel woody materials containing ash trees that have been removed due to disease or implementation of an emerald ash borer management program; or

(2) transport processed biomass fuel, woody materials infested by emerald ash borer, and woody material removed under an emerald ash borer management program to a storage location or to the district heating and cooling system cogeneration facility in downtown St. Paul.

(b) Grant funds may be used to pay reasonable costs incurred by the Department of Agriculture to administer this section.

(c) All funds awarded under paragraph (a) must reduce on a dollar-for-dollar basis the charges billed by an eligible heating and cooling system cogeneration facility to the public utility that owns the Prairie Island Nuclear Electric Generating Plant under the power purchase agreement in effect on January 1, 2018. A heating and cooling system cogeneration facility receiving a grant under this section must submit a monthly statement showing the reduction in charges resulting from the requirement of this paragraph to the public utility that owns the Prairie Island Nuclear Electric Generating Plant.

Subd. 4. **Expiration.** This section expires the day after the power purchase agreement in effect on January 1, 2018, between an eligible heating and cooling system cogeneration facility and the public utility that owns the Prairie Island Nuclear Electric Generating Plant expires. This section does not extend or renew a power purchase agreement referenced in this subdivision.

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

Sec. 12. Minnesota Statutes 2016, section 216E.03, subdivision 9, is amended to read:

Subd. 9. **Timing.** The commission shall make a final decision on an application within 60 days after receipt of the report of the administrative law judge. A final decision on the request for a site permit or route permit shall be made within one year after the commission's determination that an application is complete. The commission may extend this time limit for up to ~~three months~~ 30 days for just cause or upon agreement of the applicant.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to any application filed with the commission on or after that date.

Sec. 13. Minnesota Statutes 2016, section 216E.04, subdivision 2, is amended to read:

Subd. 2. **Applicable projects.** The requirements and procedures in this section apply to the following projects:

- (1) large electric power generating plants with a capacity of less than 80 megawatts;
- (2) large electric power generating plants that are fueled by natural gas;
- (3) high-voltage transmission lines of between 100 and 200 kilovolts;
- (4) high-voltage transmission lines in excess of 200 kilovolts and less than five miles in length in Minnesota;
- (5) high-voltage transmission lines in excess of 200 kilovolts if at least 80 percent of the distance of the line in Minnesota will be located along existing high-voltage transmission line right-of-way;
- (6) a high-voltage transmission line service extension to a single customer between 200 and 300 kilovolts and less than ten miles in length;
- (7) a high-voltage transmission line rerouting to serve the demand of a single customer when the rerouted line will be located at least 80 percent on property owned or controlled by the customer or the owner of the transmission line; ~~and~~
- (8) large electric power generating plants that are powered by solar energy; and
- (9) a high-voltage transmission line in excess of 200 kilovolts, if the applicant demonstrates secured voluntary easements or other agreements with all landowners located within the proposed route's right-of-way.

Sec. 14. Minnesota Statutes 2016, section 216E.04, subdivision 7, is amended to read:

Subd. 7. **Timing.** The commission shall make a final decision on an application within 60 days after completion of the public hearing. A final decision on the request for a site permit or route permit under this section shall be made within six months after the commission's determination that an application is complete. The commission may extend this time limit for up to ~~three months~~ 30 days for just cause or upon agreement of the applicant.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to any application filed with the commission on or after that date.

Sec. 15. Minnesota Statutes 2016, section 216F.01, subdivision 2, is amended to read:

Subd. 2. **Large wind energy conversion system or LWECS.** "Large wind energy conversion system" or "LWECS" means (1) any combination of WECS with a combined nameplate capacity of 5,000 kilowatts or more, and (2) transmission lines directly associated with the LWECS that are necessary to interconnect the LWECS with the transmission system.

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

Sec. 16. Laws 2017, chapter 94, article 10, section 28, is amended to read:

Sec. 28. **PROGRAM ADMINISTRATION; "MADE IN MINNESOTA" SOLAR THERMAL REBATES.**

(a) No rebate may be paid under Minnesota Statutes 2016, section 216C.416, to an owner of a solar thermal system whose application was approved by the commissioner of commerce after the effective date of this act.

(b) Unspent money remaining in the account established under Minnesota Statutes 2014, section 216C.416, as of July 2, 2017, must be transferred to the ~~C-LEAF~~ renewable development account established under Minnesota Statutes 2016, section 116C.779, subdivision 1.

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

Sec. 17. Laws 2017, chapter 94, article 10, section 29, is amended to read:

Sec. 29. **RENEWABLE DEVELOPMENT ACCOUNT; TRANSFER OF UNEXPENDED GRANT FUNDS.**

(a) No later than 30 days after the effective date of this section, the utility subject to Minnesota Statutes, section 116C.779, subdivision 1, must notify in writing each person who received a grant funded from the renewable development account ~~previously~~ established under that subdivision:

- (1) after January 1, 2012; and
- (2) before January 1, 2012, if the funded project remains incomplete as of the effective date of this section.

The notice must contain the provisions of this section and instructions directing grant recipients how unexpended funds can be transferred to the ~~clean energy advancement fund~~ renewable development account.

(b) A recipient of a grant from the renewable development account ~~previously~~ established under Minnesota Statutes, section 116C.779, subdivision 1, must, no later than 30 days after receiving the notice required under paragraph (a), transfer any grant funds that remain unexpended as of the effective date of this section to the ~~clean energy advancement fund~~ renewable development account if, by that effective date, all of the following conditions are met:

- (1) the grant was awarded more than five years before the effective date of this section;
- (2) the grant recipient has failed to obtain control of the site on which the project is to be constructed;
- (3) the grant recipient has failed to secure all necessary permits or approvals from any unit of government with respect to the project; and
- (4) construction of the project has not begun.

(c) A recipient of a grant from the renewable development account ~~previously~~ established under Minnesota Statutes, section 116C.779, subdivision 1, must transfer any grant funds that remain unexpended five years after the grant funds are received by the grant recipient if, by that date, the conditions in paragraph (b), clauses (2) to (4), have been met. The grant recipient must transfer the unexpended funds no later than 30 days after the fifth anniversary of the receipt of the grant funds.

(d) A person who transfers funds to the ~~clean energy advancement fund~~ renewable development account under this section is eligible to apply for funding from the ~~clean energy advancement fund~~ renewable development account.

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

Sec. 18. **REPEALER.**

Minnesota Statutes 2016, section 216B.2423, is repealed.

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

ARTICLE 4 HOUSING

Section 1. **[14.1275] RULES IMPACTING RESIDENTIAL CONSTRUCTION OR REMODELING; LEGISLATIVE NOTICE AND REVIEW.**

Subdivision 1. **Definition.** As used in this section, "residential construction" means the new construction or remodeling of any building subject to the Minnesota Residential Code.

Subd. 2. **Impact on housing; agency determination.** (a) An agency must determine if implementation of a proposed rule, or any portion of a proposed rule, will, on average, increase the cost of residential construction or remodeling by \$1,000 or more per unit, and whether the proposed rule meets the state regulatory policy objectives described in section 14.002. In calculating the cost of implementing a proposed rule, the agency may consider the impact of other related proposed rules on the overall cost of residential construction. If applicable, the agency may include offsetting savings that may be achieved through implementation of related proposed rules in its calculation under this subdivision.

(b) The agency must make the determination required by paragraph (a) before the close of the hearing record, or before the agency submits the record to the administrative law judge if there is no hearing. Upon request of a party affected by the proposed rule, the administrative law judge must review and approve or disapprove an agency's determination under this subdivision.

Subd. 3. **Notice to legislature; legislative review.** If the agency determines that the impact of a proposed rule meets or exceeds the cost threshold provided in subdivision 2, or if the administrative law judge separately confirms the cost of any portion of a rule exceeds the cost threshold provided in subdivision 2, the agency must notify, in writing, the chair and ranking minority members of the policy committees of the legislature with jurisdiction over the subject matter of the proposed rule within ten days of the determination. The agency shall not adopt the proposed rule until after the adjournment of the next annual session of the legislature convened on or after the date that notice required in this subdivision is given to the chairs and ranking minority members.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to administrative rules proposed on or after that date.

Sec. 2. Minnesota Statutes 2016, section 299D.085, is amended by adding a subdivision to read:

Subd. 3a. **Trailer use.** A vehicle or a combination of vehicles may tow a trailer during the movement of an overdimensional load if:

(1) the party involved is a building mover licensed by the commissioner of transportation under section 221.81;

(2) the building being moved is not a temporary structure;

(3) the overdimensional load is a manufactured home, as defined under section 327.31; or

(4) the overdimensional load is a modular home, as defined under section 297A.668, subdivision 8, paragraph (b).

Sec. 3. Minnesota Statutes 2016, section 326B.815, subdivision 1, is amended to read:

Subdivision 1. **Fees.** (a) For the purposes of calculating fees under section 326B.092, an initial or renewed residential contractor, residential remodeler, or residential roofer license is a business license. Notwithstanding section 326B.092, the licensing fee for manufactured home installers under section 327B.041 is ~~\$300~~ \$180 for a three-year period.

(b) All initial and renewal licenses, except for manufactured home installer licenses, shall be effective for two years and shall expire on March 31 of the year after the year in which the application is made.

(c) The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the renewal of residential contractor, residential remodeler, and residential roofer licenses from one year to two years. By June 30, 2011, all renewed residential contractor, residential remodeler, and residential roofer licenses shall be two-year licenses.

Sec. 4. Minnesota Statutes 2016, section 327.31, is amended by adding a subdivision to read:

Subd. 23. **Modular home.** "Modular home" means a building or structural unit of closed construction that has been substantially manufactured or constructed, in whole or in part, at an off-site location, with the final assembly occurring on site alone or with other units and attached to a foundation designed to the State Building Code and occupied as a single-family dwelling. Modular home construction must comply with applicable standards adopted in Minnesota Rules, chapter 1360 or 1361.

Sec. 5. **[327.335] PLACEMENT OF MODULAR HOMES.**

Notwithstanding any other law or ordinance to the contrary, a modular home may be placed in a manufactured home park as defined in section 327.14, subdivision 3. A modular home placed in a manufactured home park is a manufactured home for purposes of chapters 327C and 504B and all rights, obligations, and duties, under those chapters apply. A modular home may not be placed in a manufactured home park without prior written approval of the park owner. Nothing in this section shall be construed to inhibit the application of zoning, subdivision, architectural, or esthetic requirements under chapters 394 and 462 that otherwise apply to manufactured homes or manufactured home parks. A modular home placed in a manufactured home park under this section shall be assessed and taxed as a manufactured home.

Sec. 6. Minnesota Statutes 2016, section 327B.041, is amended to read:

327B.041 MANUFACTURED HOME INSTALLERS.

(a) Manufactured home installers are subject to all of the fees in section 326B.092 and the requirements of sections 326B.802 to 326B.885, except for the following:

(1) manufactured home installers are not subject to the continuing education requirements of sections 326B.0981, 326B.099, and 326B.821, but are subject to the continuing education requirements established in rules adopted under section 327B.10;

(2) the examination requirement of section 326B.83, subdivision 3, for manufactured home installers shall be satisfied by successful completion of a written examination administered and developed specifically for the examination of manufactured home installers. The examination must be administered and developed by the commissioner. The commissioner and the state building official shall seek advice on the grading, monitoring, and updating of examinations from the Minnesota Manufactured Housing Association;

(3) a local government unit may not place a surcharge on a license fee, and may not charge a separate fee to installers;

(4) a dealer or distributor who does not install or repair manufactured homes is exempt from licensure under sections 326B.802 to 326B.885;

(5) the exemption under section 326B.805, subdivision 6, clause (5), does not apply; and

(6) manufactured home installers are not subject to the contractor recovery fund in section 326B.89.

(b) The commissioner may waive all or part of the requirements for licensure as a manufactured home installer for any individual who holds an unexpired license or certificate issued by any other state or other United States jurisdiction if the licensing requirements of that jurisdiction meet or exceed the corresponding licensing requirements of the department and the individual complies with section 326B.092, subdivisions 1 and 3 to 7. ~~For the purposes of calculating fees under section 326B.092, licensure as a manufactured home installer is a business license.~~

Sec. 7. Minnesota Statutes 2016, section 327C.095, subdivision 4, is amended to read:

Subd. 4. **Public hearing; relocation compensation; neutral third party.** The governing body of the affected municipality shall hold a public hearing to review the closure statement and any impact that the park closing may have on the displaced residents and the park owner. At the time of, and in the notice for, the public hearing, displaced residents must be informed that they may be eligible for payments from the Minnesota manufactured home relocation trust fund under section 462A.35 as compensation for reasonable relocation costs under subdivision 13, paragraphs (a) and (e).

The governing body of the municipality may also require that other parties, including the municipality, but excluding the park owner or its purchaser, involved in the park closing provide additional compensation to residents to mitigate the adverse financial impact of the park closing upon the residents.

At the public hearing, the municipality shall appoint a qualified neutral third party, to be agreed upon by both the manufactured home park owner and manufactured home owners, whose hourly cost must be reasonable and paid from the Minnesota manufactured home relocation trust fund. The neutral third party shall act as a paymaster and arbitrator, with decision-making authority to resolve any questions or disputes regarding any contributions or

disbursements to and from the Minnesota manufactured home relocation trust fund by either the manufactured home park owner or the manufactured home owners. If the parties cannot agree on a neutral third party, the municipality will ~~make a determination~~ determine who shall act as the neutral third party.

The qualified neutral third party shall be familiar with manufactured housing and the requirements of this section. The neutral third party shall keep an overall receipts and cost summary together with a detailed accounting, for each manufactured lot, of the payments received by the manufactured home park owner, and expenses approved and payments disbursed to the manufactured home owners, pursuant to subdivisions 12 and 13, as well as a record of all services and hours it provided and at what hourly rate it charged to the Minnesota manufactured home trust fund. This detailed accounting shall be provided to the manufactured home park owner, the municipality, and the Minnesota Housing Finance Agency to be included in its yearly October 15 report as required in subdivision 13, paragraph (h), not later than 30 days after the expiration of the nine-month notice provided in the closure statement.

Sec. 8. Minnesota Statutes 2016, section 327C.095, subdivision 6, is amended to read:

Subd. 6. **Intent to convert use of park at time of purchase.** Before the execution of an agreement to purchase a manufactured home park, the purchaser must notify the park owner, in writing, if the purchaser intends to close the manufactured home park or convert it to another use within one year of the execution of the agreement. The park owner shall provide a resident of each manufactured home with a 45-day written notice of the purchaser's intent to close the park or convert it to another use. The notice must state that the park owner will provide information on the cash price and the terms and conditions of the purchaser's offer to residents requesting the information. The notice must be sent by first class mail to a resident of each manufactured home in the park. The notice period begins on the postmark date affixed to the notice and ends 45 days after it begins. During the notice period required in this subdivision, the owners of at least 51 percent of the manufactured homes in the park or a nonprofit organization which has the written permission of the owners of at least 51 percent of the manufactured homes in the park to represent them in the acquisition of the park shall have the right to meet the cash price and execute an agreement to purchase the park for the purposes of keeping the park as a manufactured housing community, provided that the owners or nonprofit organization will covenant and warrant to the park owner in the agreement that they will continue to operate the park for not less than six years from the date of closing. The park owner must accept the offer if it meets the cash price and the same terms and conditions set forth in the purchaser's offer except that the seller is not obligated to provide owner financing. For purposes of this section, cash price means the cash price offer or equivalent cash offer as defined in section 500.245, subdivision 1, paragraph (d).

Sec. 9. Minnesota Statutes 2016, section 327C.095, subdivision 12, is amended to read:

Subd. 12. **Payment to the Minnesota manufactured home relocation trust fund.** (a) If a manufactured home owner is required to move due to the conversion of all or a portion of a manufactured home park to another use, the closure of a park, or cessation of use of the land as a manufactured home park, the manufactured park owner shall, upon the change in use, pay to the commissioner of management and budget for deposit in the Minnesota manufactured home relocation trust fund under section 462A.35, the lesser amount of the actual costs of moving or purchasing the manufactured home approved by the neutral third party and paid by the Minnesota Housing Finance Agency under subdivision 13, paragraph (a) or (e), or \$3,250 for each single section manufactured home, and \$6,000 for each multisection manufactured home, for which a manufactured home owner has made application for payment of relocation costs under subdivision 13, paragraph (c). The manufactured home park owner shall make payments required under this section to the Minnesota manufactured home relocation trust fund within 60 days of receipt of invoice from the neutral third party.

(b) A manufactured home park owner is not required to make the payment prescribed under paragraph (a), nor is a manufactured home owner entitled to compensation under subdivision 13, paragraph (a) or (e), if:

(1) the manufactured home park owner relocates the manufactured home owner to another space in the manufactured home park or to another manufactured home park at the park owner's expense;

(2) the manufactured home owner is vacating the premises and has informed the manufactured home park owner or manager of this prior to the mailing date of the closure statement under subdivision 1;

(3) a manufactured home owner has abandoned the manufactured home, or the manufactured home owner is not current on the monthly lot rental, personal property taxes;

(4) the manufactured home owner has a pending eviction action for nonpayment of lot rental amount under section 327C.09, which was filed against the manufactured home owner prior to the mailing date of the closure statement under subdivision 1, and the writ of recovery has been ordered by the district court;

(5) the conversion of all or a portion of a manufactured home park to another use, the closure of a park, or cessation of use of the land as a manufactured home park is the result of a taking or exercise of the power of eminent domain by a governmental entity or public utility; or

(6) the owner of the manufactured home is not a resident of the manufactured home park, as defined in section 327C.01, subdivision 9, or the owner of the manufactured home is a resident, but came to reside in the manufactured home park after the mailing date of the closure statement under subdivision 1.

(c) If the unencumbered fund balance in the manufactured home relocation trust fund is less than ~~\$1,000,000~~ \$3,000,000 as of June 30 of each year, the commissioner of management and budget shall assess each manufactured home park owner by mail the total amount of \$15 for each licensed lot in their park, payable on or before ~~September~~ November 15 of that year. ~~The commissioner of management Failure to notify and budget shall deposit any payments in the Minnesota~~ timely assess the manufactured home relocation trust fund. On or before July 15 of park owner by August 30 of any year shall waive the assessment and payment obligations of the manufactured home park owner for that year. Together with said assessment notice, each year, the commissioner of management and budget shall prepare and distribute to park owners a letter explaining whether funds are being collected for that year, information about the collection, an invoice for all licensed lots, and a sample form for the park owners to collect information on which park residents have been accounted for. If assessed under this paragraph, the park owner may recoup the cost of the \$15 assessment as a lump sum or as a monthly fee of no more than \$1.25 collected from park residents together with monthly lot rent as provided in section 327C.03, subdivision 6. Park owners may adjust payment for lots in their park that are vacant or otherwise not eligible for contribution to the trust fund under section 327C.095, subdivision 12, paragraph (b), and, for park residents who have not paid the \$15 assessment to the park owner by October 15, deduct from the assessment accordingly. The commissioner of management and budget shall deposit any payments in the Minnesota manufactured home relocation trust fund.

(d) This subdivision and subdivision 13, paragraph (c), clause (5), are enforceable by the neutral third party, on behalf of the Minnesota Housing Finance Agency, or by action in a court of appropriate jurisdiction. The court may award a prevailing party reasonable attorney fees, court costs, and disbursements.

Sec. 10. Minnesota Statutes 2016, section 327C.095, subdivision 13, is amended to read:

Subd. 13. **Change in use, relocation expenses; payments by park owner.** (a) If a manufactured home owner is required to relocate due to the conversion of all or a portion of a manufactured home park to another use, the closure of a manufactured home park, or cessation of use of the land as a manufactured home park under subdivision 1, and the manufactured home owner complies with the requirements of this section, the manufactured home owner is entitled to payment from the Minnesota manufactured home relocation trust fund equal to the manufactured home owner's actual relocation costs for relocating the manufactured home to a new location within a ~~25-mile~~ 50-mile radius of the park that is being closed, up to a maximum of ~~\$7,000~~ \$9,000 for a single-section and \$12,500 for a

multisection manufactured home. The actual relocation costs must include the reasonable cost of taking down, moving, and setting up the manufactured home, including equipment rental, utility connection and disconnection charges, minor repairs, modifications necessary for transportation of the home, necessary moving permits and insurance, moving costs for any appurtenances, which meet applicable local, state, and federal building and construction codes.

(b) A manufactured home owner is not entitled to compensation under paragraph (a) if the manufactured home park owner is not required to make a payment to the Minnesota manufactured home relocation trust fund under subdivision 12, paragraph (b).

(c) Except as provided in paragraph (e), in order to obtain payment from the Minnesota manufactured home relocation trust fund, the manufactured home owner shall submit to the neutral third party and the Minnesota Housing Finance Agency, with a copy to the park owner, an application for payment, which includes:

(1) a copy of the closure statement under subdivision 1;

(2) a copy of the contract with a moving or towing contractor, which includes the relocation costs for relocating the manufactured home;

(3) a statement with supporting materials of any additional relocation costs as outlined in subdivision 1;

(4) a statement certifying that none of the exceptions to receipt of compensation under subdivision 12, paragraph (b), apply to the manufactured home owner;

(5) a statement from the manufactured park owner that the lot rental is current and that the annual \$15 payments payment to the Minnesota manufactured home relocation trust fund have has been paid when due; and

(6) a statement from the county where the manufactured home is located certifying that personal property taxes for the manufactured home are paid through the end of that year.

(d) The neutral third party shall promptly process all payments within 14 days. If the neutral third party has acted reasonably and does not approve or deny payment within 45 days after receipt of the information set forth in paragraph (c), the payment is deemed approved. Upon approval and request by the neutral third party, the Minnesota Housing Finance Agency shall issue two checks in equal amount for 50 percent of the contract price payable to the mover and towing contractor for relocating the manufactured home in the amount of the actual relocation cost, plus a check to the home owner for additional certified costs associated with third-party vendors, that were necessary in relocating the manufactured home. The moving or towing contractor shall receive 50 percent upon execution of the contract and 50 percent upon completion of the relocation and approval by the manufactured home owner. The moving or towing contractor may not apply the funds to any other purpose other than relocation of the manufactured home as provided in the contract. A copy of the approval must be forwarded by the neutral third party to the park owner with an invoice for payment of the amount specified in subdivision 12, paragraph (a).

(e) In lieu of collecting a relocation payment from the Minnesota manufactured home relocation trust fund under paragraph (a), the manufactured home owner may collect an amount from the fund after reasonable efforts to relocate the manufactured home have failed due to the age or condition of the manufactured home, or because there are no manufactured home parks willing or able to accept the manufactured home within a 25-mile radius. A manufactured home owner may tender title of the manufactured home in the manufactured home park to the manufactured home park owner, and collect an amount to be determined by an independent appraisal. The appraiser must be agreed to by both the manufactured home park owner and the manufactured home owner. If the appraised market value cannot be determined, the tax market value, averaged over a period of five years, can be used as a substitute. The maximum amount that may be reimbursed under the fund is \$8,000 for a single-section and \$14,500

for a multisection manufactured home. The minimum amount that may be reimbursed under the fund is \$2,000 for a single section and \$4,000 for a multisection manufactured home. The manufactured home owner shall deliver to the manufactured home park owner the current certificate of title to the manufactured home duly endorsed by the owner of record, and valid releases of all liens shown on the certificate of title, and a statement from the county where the manufactured home is located evidencing that the personal property taxes have been paid. The manufactured home owner's application for funds under this paragraph must include a document certifying that the manufactured home cannot be relocated, that the lot rental is current, that the annual \$15 payments to the Minnesota manufactured home relocation trust fund have been paid when due, that the manufactured home owner has chosen to tender title under this section, and that the park owner agrees to make a payment to the commissioner of management and budget in the amount established in subdivision 12, paragraph (a), less any documented costs submitted to the neutral third party, required for demolition and removal of the home, and any debris or refuse left on the lot, not to exceed ~~\$1,000~~ \$3,000. The manufactured home owner must also provide a copy of the certificate of title endorsed by the owner of record, and certify to the neutral third party, with a copy to the park owner, that none of the exceptions to receipt of compensation under subdivision 12, paragraph (b), clauses (1) to (6), apply to the manufactured home owner, and that the home owner will vacate the home within 60 days after receipt of payment or the date of park closure, whichever is earlier, provided that the monthly lot rent is kept current.

(f) The Minnesota Housing Finance Agency must make a determination of the amount of payment a manufactured home owner would have been entitled to under a local ordinance in effect on May 26, 2007. Notwithstanding paragraph (a), the manufactured home owner's compensation for relocation costs from the fund under section 462A.35, is the greater of the amount provided under this subdivision, or the amount under the local ordinance in effect on May 26, 2007, that is applicable to the manufactured home owner. Nothing in this paragraph is intended to increase the liability of the park owner.

(g) Neither the neutral third party nor the Minnesota Housing Finance Agency shall be liable to any person for recovery if the funds in the Minnesota manufactured home relocation trust fund are insufficient to pay the amounts claimed. The Minnesota Housing Finance Agency shall keep a record of the time and date of its approval of payment to a claimant.

(h) (1) By October 15, 2018, the Minnesota Housing Finance Agency shall post on its Web site and report to the chairs of the senate Finance Committee and house of representatives Ways and Means Committee on the Minnesota manufactured home relocation trust fund, including the account balance, payments to claimants, the amount of any advances to the fund, the amount of any insufficiencies encountered during the previous calendar year, and any itemized administrative charges or expenses deducted from the trust fund balance. If sufficient funds become available, the Minnesota Housing Finance Agency shall pay the manufactured home owner whose unpaid claim is the earliest by time and date of approval.

(2) Beginning in 2019, the Minnesota Housing Finance Agency shall post on its Web site and report to the chairs of the senate Finance Committee and house of representatives Ways and Means Committee by ~~January~~ October 15 of each year on the Minnesota manufactured home relocation trust fund, including the aggregate account balance, the aggregate assessment payments received, summary information regarding each closed park including the total payments to claimants and payments received from each closed park, the amount of any advances to the fund, the amount of any insufficiencies encountered during the previous ~~calendar~~ fiscal year, reports of neutral third parties provided pursuant to subdivision 4, and any itemized administrative charges or expenses deducted from the trust fund balance, all of which should be reconciled to the previous year's trust fund balance. If sufficient funds become available, the Minnesota Housing Finance Agency shall pay the manufactured home owner whose unpaid claim is the earliest by time and date of approval.

Sec. 11. Minnesota Statutes 2016, section 327C.095, is amended by adding a subdivision to read:

Subd. 16. Reporting of licensed manufactured home parks. The Department of Health or, if applicable, local units of government that have entered into a delegation of authority agreement with the Department of Health as provided in section 145A.07 shall provide, by March 31 of each year, a list of names and addresses of the manufactured home parks licensed in the previous year, and for each manufactured home park, the current licensed owner, the owner's address, the number of licensed manufactured home lots, and other data as they may request for the Department of Management and Budget to invoice each licensed manufactured home park in Minnesota.

Sec. 12. Minnesota Statutes 2016, section 462A.222, subdivision 3, is amended to read:

Subd. 3. Allocation procedure. (a) Projects will be awarded tax credits in two competitive rounds on an annual basis. The date for applications for each round must be determined by the agency. No allocating agency may award tax credits prior to the application dates established by the agency.

(b) Each allocating agency must meet the requirements of section 42(m) of the Internal Revenue Code of 1986, as amended through December 31, 1989, for the allocation of tax credits and the selection of projects.

(c) For projects that are eligible for an allocation of credits pursuant to section 42(h)(4) of the Internal Revenue Code of 1986, as amended, tax credits may only be allocated if the project satisfies the requirements of the allocating agency's qualified allocation plan. For projects that are eligible for an allocation of credits pursuant to section 42(h)(4) of the Internal Revenue Code of 1986, as amended, for which the agency is the issuer of the bonds for the project, or the issuer of the bonds for the project is located outside the jurisdiction of a city or county that has received reserved tax credits, the applicable allocation plan is the agency's qualified allocation plan. Notwithstanding this paragraph, any projects that are eligible for an allocation of credits pursuant to section 42(h)(4) of the Internal Revenue Code of 1986, as amended, for which the Minnesota Housing Finance Agency is the issuer of the bonds for the project, or the issuer of the bonds for the project is located outside the jurisdiction of a city or county that has received reserved tax credits, and such project meets the requirements of both section 474A.047 and section 42 of the Internal Revenue Code, such projects shall be deemed for all purposes to have satisfied all the requirements of the Minnesota Housing Finance Agency's qualified allocation plan and all other related guidance and requirements and the agency shall timely issue the necessary determination letters under section 42(m) of the Internal Revenue Code of 1986, as amended, or Form 8609. The Minnesota Housing Finance Agency's qualified allocation plan is required to contain the provisions of this subdivision.

(d) For applications submitted for the first round, an allocating agency may allocate tax credits only to the following types of projects:

(1) in the metropolitan area:

(i) new construction or substantial rehabilitation of projects in which, for the term of the extended use period, at least 75 percent of the total tax credit units are single-room occupancy, efficiency, or one bedroom units and which are affordable by households whose income does not exceed 30 percent of the median income;

(ii) new construction or substantial rehabilitation family housing projects that are not restricted to persons who are 55 years of age or older and in which, for the term of the extended use period, at least 75 percent of the tax credit units contain two or more bedrooms and at least one-third of the 75 percent contain three or more bedrooms; or

(iii) substantial rehabilitation projects in neighborhoods targeted by the city for revitalization;

(2) outside the metropolitan area, projects which meet a locally identified housing need and which are in short supply in the local housing market as evidenced by credible data submitted with the application;

(3) projects that are not restricted to persons of a particular age group and in which, for the term of the extended use period, a percentage of the units are set aside and rented to persons:

(i) with a serious and persistent mental illness as defined in section 245.462, subdivision 20, paragraph (c);

(ii) with a developmental disability as defined in United States Code, title 42, section 6001, paragraph (5), as amended through December 31, 1990;

(iii) who have been assessed as drug dependent persons as defined in section 254A.02, subdivision 5, and are receiving or will receive care and treatment services provided by an approved treatment program as defined in section 254A.02, subdivision 2;

(iv) with a brain injury as defined in section 256B.093, subdivision 4, paragraph (a); or

(v) with permanent physical disabilities that substantially limit one or more major life activities, if at least 50 percent of the units in the project are accessible as provided under Minnesota Rules, chapter 1340;

(4) projects, whether or not restricted to persons of a particular age group, which preserve existing subsidized housing, if the use of tax credits is necessary to prevent conversion to market rate use or to remedy physical deterioration of the project which would result in loss of existing federal subsidies; or

(5) projects financed by the Farmers Home Administration, or its successor agency, which meet statewide distribution goals.

(e) Before the date for applications for the final round, the allocating agencies other than the agency shall return all uncommitted and unallocated tax credits to a unified pool for allocation by the agency on a statewide basis.

(f) Unused portions of the state ceiling for low-income housing tax credits reserved to cities and counties for allocation may be returned at any time to the agency for allocation.

(g) If an allocating agency determines, at any time after the initial commitment or allocation for a specific project, that a project is no longer eligible for all or a portion of the low-income housing tax credits committed or allocated to the project, the credits must be transferred to the agency to be reallocated pursuant to the procedures established in paragraphs (e) to (g); provided that if the tax credits for which the project is no longer eligible are from the current year's annual ceiling and the allocating agency maintains a waiting list, the allocating agency may continue to commit or allocate the credits until not later than the date of applications for the final round, at which time any uncommitted credits must be transferred to the agency.

Sec. 13. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision to read:

Subd. 1a. **Aggregate bond limitation.** "Aggregate bond limitation" means up to 55 percent of the reasonably expected aggregate basis of a residential rental project and the land on which the project is or will be located.

Sec. 14. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision to read:

Subd. 1b. **AMI.** "AMI" means the area median income for the applicable county or metropolitan area as published by the Department of Housing and Urban Development, as adjusted for household size.

Sec. 15. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision to read:

Subd. 12a. **LIHTC.** "LIHTC" means low-income housing tax credits under section 42 of the Internal Revenue Code of 1986, as amended.

Sec. 16. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision to read:

Subd. 21a. **Preservation project.** "Preservation project" means any residential rental project, regardless of whether or not such project is restricted to persons of a certain age or older, that receives federal project-based rental subsidies. In addition, to qualify as a preservation project, the amount of bonds requested in the application must not exceed the aggregate bond limitation.

Sec. 17. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision to read:

Subd. 30. **30 percent AMI residential rental project.** "30 percent AMI residential rental project" means a residential rental project that does not otherwise qualify as a preservation project, is expected to generate low-income housing tax credits under section 42 of the Internal Revenue Code of 1986, as amended, from 100 percent of its residential units, and in which:

(1) all the residential units of the project:

(i) are reserved for tenants whose income, on average, is 30 percent of AMI or less;

(ii) are rent-restricted in accordance with section 42(g)(2) of the Internal Revenue Code of 1986, as amended; and

(iii) are subject to rent and income restrictions for a period of not less than 30 years; or

(2)(i) is located within a county or metropolitan area that has a current median area gross income that is less than the statewide area median income for Minnesota;

(ii) all of the units of the project are rent-restricted in accordance with section 42(g)(2) of the Internal Revenue Code of 1986, as amended; and

(iii) all of the units of the project are subject to the applicable rent and income restrictions for a period of not less than 30 years.

In addition, to qualify as a 30 percent AMI residential project, the amount of bonds requested in the application must not exceed the aggregate bond limitation.

Sec. 18. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision to read:

Subd. 31. **50 percent AMI residential rental project.** "50 percent AMI residential rental project," means a residential rental project that does not qualify as a preservation project or 30 percent AMI residential rental project, is expected to generate low-income housing tax credits under section 42 of the Internal Revenue Code of 1986, as amended, from 100 percent of its residential units, and in which all the residential units of the project:

(1) are reserved for tenants whose income, on average, is 50 percent of AMI or less;

(2) are rent-restricted in accordance with section 42(g)(2) of the Internal Revenue Code of 1986, as amended; and

(3) are subject to rent and income restrictions for a period of not less than 30 years.

In addition, to qualify as a 50 percent AMI residential rental project, the amount of bonds requested in the application must not exceed the aggregate bond limitation.

Sec. 19. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision to read:

Subd. 32. **100 percent LIHTC project.** "100 percent LIHTC project" means a residential rental project that is expected to generate low-income housing tax credits under section 42 of the Internal Revenue Code of 1986, as amended, from 100 percent of its residential units and does not otherwise qualify as a preservation project, 30 percent AMI residential rental project, or 50 percent AMI residential rental project. In addition, to qualify as a 100 percent LIHTC project, the amount of bonds requested in the application must not exceed the aggregate bond limitation.

Sec. 20. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision to read:

Subd. 33. **20 percent LIHTC project.** "20 percent LIHTC project" means a residential rental project that is expected to generate low-income housing tax credits under section 42 of the Internal Revenue Code of 1986, as amended, from at least 20 percent of its residential units and does not otherwise qualify as a preservation project, 30 percent AMI residential rental project, 50 percent AMI residential rental project, or 100 percent LIHTC project. In addition, to qualify as a 20 percent LIHTC project, the amount of bonds requested in the application must not exceed the aggregate bond limitation.

Sec. 21. Minnesota Statutes 2016, section 474A.03, subdivision 1, is amended to read:

Subdivision 1. **Under federal tax law; allocations.** At the beginning of each calendar year after December 31, 2001, the commissioner shall determine the aggregate dollar amount of the annual volume cap under federal tax law for the calendar year, and of this amount the commissioner shall make the following allocation:

- (1) \$74,530,000 to the small issue pool;
- (2) \$122,060,000 to the housing pool, ~~of which 31 percent of the adjusted allocation is reserved until the last Monday in July for single-family housing programs;~~
- (3) \$12,750,000 to the public facilities pool; and
- (4) amounts to be allocated as provided in subdivision 2a.

If the annual volume cap is greater or less than the amount of bonding authority allocated under clauses (1) to (4) and subdivision 2a, paragraph (a), clauses (1) to (4), the allocation must be adjusted so that each adjusted allocation is the same percentage of the annual volume cap as each original allocation is of the total bonding authority originally allocated.

EFFECTIVE DATE. This section is effective the day following final enactment and expires January 1, 2021.

Sec. 22. Minnesota Statutes 2016, section 474A.04, subdivision 1a, is amended to read:

Subd. 1a. **Entitlement reservations.** Any amount returned by an entitlement issuer before ~~July~~ June 15 shall be reallocated through the housing pool. Any amount returned on or after July ~~15~~ 1 shall be reallocated through the unified pool. An amount returned after the last Monday in November shall be reallocated to the Minnesota Housing Finance Agency.

Sec. 23. Minnesota Statutes 2016, section 474A.047, subdivision 1, is amended to read:

Subdivision 1. **Eligibility.** (a) An issuer may only use the proceeds from residential rental bonds if the proposed project meets the following requirements:

(1) the proposed residential rental project meets the requirements of section 142(d) of the Internal Revenue Code regarding the incomes of the occupants of the housing; and

(2) the maximum rent for at least 20 percent of the units in the proposed residential rental project do not exceed the area fair market rent or exception fair market rents for existing housing, if applicable, as established by the federal Department of Housing and Urban Development. The rental rates of units in a residential rental project for which project-based federal assistance payments are made are deemed to be within the rent limitations of this clause.

(b) The proceeds from residential rental bonds may be used for a project for which project-based federal rental assistance payments are made only if: the owner of the project enters into a binding agreement with the issuer under which the owner is obligated to extend any existing low-income affordability restrictions and any contract or agreement for rental assistance payments for the maximum term permitted, including any renewals thereof.

~~(1) the owner of the project enters into a binding agreement with the Minnesota Housing Finance Agency under which the owner is obligated to extend any existing low income affordability restrictions and any contract or agreement for rental assistance payments for the maximum term permitted, including any renewals thereof; and~~

~~(2) the Minnesota Housing Finance Agency certifies that project reserves will be maintained at closing of the bond issue and budgeted in future years at the lesser of:~~

~~(i) the level described in Minnesota Rules, part 4900.0010, subpart 7, item A, subitem (2), effective May 1, 1997; or~~

~~(ii) the level of project reserves available prior to the bond issue, provided that additional money is available to accomplish repairs and replacements needed at the time of bond issue.~~

Sec. 24. Minnesota Statutes 2016, section 474A.047, subdivision 2, is amended to read:

Subd. 2. **15-year agreement.** Prior to the issuance of residential rental bonds, the developer of the project for which the bond proceeds will be used must enter into a 15-year agreement with the issuer that specifies the maximum rental rates of the rent-restricted units in the project and the income levels of the residents of the project occupying income-restricted units: and in which the developer will agree to maintain the project as a preservation project, 30 percent AMI residential rental project, 50 percent AMI residential rental project, 100 percent LIHTC project, or 20 percent LIHTC project, as applicable and as described in its application. Such rental rates and income levels must be within the limitations established under subdivision 1. The developer must annually certify to the issuer over the term of the agreement that the rental rates for the rent-restricted units are within the limitations under subdivision 1. The issuer may request individual certification of the income of residents of the income-restricted units. The commissioner may request from the issuer a copy of the annual certification prepared by the developer. The commissioner may require the issuer to request individual certification of all residents of the income-restricted units.

Sec. 25. Minnesota Statutes 2016, section 474A.061, is amended to read:

474A.061 MANUFACTURING, HOUSING, AND PUBLIC FACILITIES POOLS.

Subdivision 1. **Allocation application; small issue pool and public facilities pool.** (a) For any requested allocations from the small issue pool and the public facilities pool, an issuer may apply for an allocation under this section by submitting to the department an application on forms provided by the department, accompanied by (1) a preliminary resolution, (2) a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter and the Internal Revenue Code, (3) the type of qualified bonds to be issued, (4) an application deposit in the amount of one percent of the requested allocation before the last Monday in ~~July~~ June, or in the amount of two percent of the requested allocation on or after the last Monday in ~~July~~ June, and (5) a public purpose scoring worksheet for manufacturing project and enterprise zone facility project applications, ~~and (6) for residential rental projects, a statement from the applicant or bond counsel as to whether the project preserves existing federally subsidized housing for residential rental project applications and whether the project is restricted to persons who are 55 years of age or older.~~ The issuer must pay the application deposit by a check or wire transfer made payable to the Department of Management and Budget. The Minnesota Housing Finance Agency, the Minnesota Rural Finance Authority, and the Minnesota Office of Higher Education may apply for and receive an allocation under this section without submitting an application deposit.

(b) An entitlement issuer may not apply for an allocation ~~from the public facilities pool~~ under this subdivision unless it has either permanently issued bonds equal to the amount of its entitlement allocation for the current year plus any amount of bonding authority carried forward from previous years or returned for reallocation all of its unused entitlement allocation. ~~An entitlement issuer may not apply for an allocation from the housing pool unless it either has permanently issued bonds equal to any amount of bonding authority carried forward from a previous year or has returned for reallocation any unused bonding authority carried forward from a previous year.~~ For purposes of this subdivision, its entitlement allocation includes an amount obtained under section 474A.04, subdivision 6. ~~This paragraph does not apply to an application from the Minnesota Housing Finance Agency for an allocation under subdivision 2a for cities who choose to have the agency issue bonds on their behalf.~~

(c) If an application is rejected under this section, the commissioner must notify the applicant and return the application deposit to the applicant within 30 days unless the applicant requests in writing that the application be resubmitted. The granting of an allocation of bonding authority under this section must be evidenced by a certificate of allocation.

Subd. 1a. Allocation application; housing pool. (a) For any requested allocations from the housing pool, an issuer may apply for an allocation under this section by submitting to the department an application on forms provided by the department, accompanied by (1) a preliminary resolution, (2) a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter and the Internal Revenue Code, (3) an application deposit in the amount of two percent of the requested allocation, (4) a sworn statement from the applicant identifying the project as either a preservation project, 30 percent AMI residential rental project, 50 percent AMI residential rental project, 100 percent LIHTC project, 20 percent LIHTC project, or any other residential rental project, and (5) a certification from the applicant or its accountant stating whether the requested allocation exceeds the aggregate bond limitation. The issuer must pay the application deposit by a check made payable to the Department of Management and Budget or wire transfer. The Minnesota Housing Finance Agency may apply for and receive an allocation under this section without submitting an application deposit.

(b) An entitlement issuer may not apply for an allocation from the housing pool unless it either has permanently issued bonds equal to any amount of bonding authority carried forward from a previous year or has returned for reallocation any unused bonding authority carried forward from a previous year. For purposes of this subdivision, its entitlement allocation includes an amount obtained under section 474A.04, subdivision 6. This paragraph does not apply to an application from the Minnesota Housing Finance Agency for an allocation under subdivision 2a for cities who choose to have the agency issue bonds on the city's behalf.

(c) If an application is rejected under this section, the commissioner must notify the applicant and return the application deposit to the applicant within 30 days unless the applicant requests in writing that the application be resubmitted. The granting of an allocation of bonding authority under this section must be evidenced by a certificate of allocation.

Subd. 2a. **Housing pool allocation.** (a) Commencing on the second Tuesday in January and continuing on each Monday through ~~July~~ June 15, the commissioner shall allocate available bonding authority from the housing pool to applications received on or before the Monday of the preceding week for residential rental projects that meet the eligibility criteria under section 474A.047. Allocations of available bonding authority from the housing pool for eligible residential rental projects shall be awarded in the following order of priority: ~~(1) projects that preserve existing federally subsidized housing; (2) projects that are not restricted to persons who are 55 years of age or older; and (3) other residential rental projects. Prior to May 15, no allocation shall be made to a project restricted to persons who are 55 years of age or older.~~

(1) preservation projects;

(2) 30 percent AMI residential rental projects;

(3) 50 percent AMI residential rental projects;

(4) 100 percent LIHTC projects;

(5) 20 percent LIHTC projects;

(6) after June 1 in calendar years 2018, 2019, and 2020, and after January 1 starting in calendar year 2021, single family housing programs; and

(7) other residential rental projects for which the amount of bonds requested in their respective applications do not exceed the aggregate bond limitation.

If there are two or more applications for residential rental projects at the same priority level and there is insufficient bonding authority to provide allocations for all such projects in any one allocation period, available bonding authority shall be randomly awarded by lot. If a residential rental project is selected by lot, but the remaining allocation is insufficient to receive the full amount of its requested allocation, the remaining bonding authority shall be reserved by the commissioner, or by the Minnesota Housing Finance Agency if such authority is carried forward pursuant to section 474A.131, for the project for up to 24 months thereafter, and if the project applies in the future to the housing pool or unified pool for additional allocation of bonds, the project shall be fully funded up to the remaining amount of its original application request for bonding authority before any new project applying in the same allocation period that has an equal priority shall receive bonding authority. Within 180 days of receiving an allocation under this paragraph, an issuer must either begin issuing obligations or submit an additional application deposit equal to one percent of the allocation amount; if an additional deposit is submitted, the issuer must begin issuing obligations within 18 months of receiving an allocation. If an issuer that receives an allocation under this paragraph does not issue obligations equal to all or a portion of the allocation received within ~~120 days of the allocation~~ the relevant time period in this paragraph or returns the allocation to the commissioner, the amount of the allocation is canceled and returned for reallocation through the housing pool or to the unified pool after July ~~15~~ 1. If an issuer that receives an allocation under this paragraph issues obligations within the relevant time period in this paragraph, the commissioner shall refund 50 percent of any application deposit previously paid within 30 days of the issuance of the obligations and the remaining 50 percent of the application deposit will be refunded (i) within 30 days after the date on which the Internal Revenue Service Forms 8609 are issued with respect to projects generating low-income housing tax credits, or (ii) within 90 days after the issuer provides a certification and any other reasonable documentation requested by the commissioner evidencing that construction of the project has been completed.

(b) ~~After January 1, and through January 15,~~ The Minnesota Housing Finance Agency may accept applications, according to the schedule in paragraph (c), from cities for single-family housing programs which meet program requirements as follows:

- (1) the housing program must meet a locally identified housing need and be economically viable;
- (2) the adjusted income of home buyers may not exceed 80 percent of ~~the greater of statewide or area median income as published by the Department of Housing and Urban Development, adjusted for household size~~ AMI;
- (3) house price limits may not exceed the federal price limits established for mortgage revenue bond programs. Data on the home purchase price amount, mortgage amount, income, household size, and race of the households served in the previous year's single-family housing program, if any, must be included in each application; and
- (4) for applicants who choose to have the agency issue bonds on their behalf, an application fee pursuant to section 474A.03, subdivision 4, and an application deposit equal to one percent of the requested allocation must be submitted to the Minnesota Housing Finance Agency before the agency forwards the list specifying the amounts allocated to the commissioner under paragraph ~~(d)~~ (e). The agency shall submit the city's application fee and application deposit to the commissioner when requesting an allocation from the housing pool.

Applications by a consortium shall include the name of each member of the consortium and the amount of allocation requested by each member.

(c) The Minnesota Housing Finance Agency may accept applications under paragraph (b) after June 1 in calendar years 2018, 2019, and 2020, and after January 1 and through January 15 starting in calendar year 2021.

~~(e) Any amounts remaining in the housing pool after July 15 are available for single family housing programs for cities that applied in January and received an allocation under this section in the same calendar year.~~ (d) For a city that chooses to issue bonds on its own behalf or pursuant to a joint powers agreement, the agency must allot available bonding authority based on the formula in paragraphs ~~(d)~~ (e) and ~~(f)~~ (g). Allocations will be made loan by loan, on a first-come, first-served basis among cities on whose behalf the Minnesota Housing Finance Agency issues bonds.

Any city that received an allocation pursuant to paragraph ~~(f)~~ (g) in the same calendar year that wishes to issue bonds on its own behalf or pursuant to a joint powers agreement for an amount becoming available for single-family housing programs after ~~July 15~~ June 1 shall notify the Minnesota Housing Finance Agency by ~~July 15~~ June 1. The Minnesota Housing Finance Agency shall notify each city making a request of the amount of its allocation within three business days after ~~July 15~~ June 1. The city must comply with paragraph ~~(f)~~ (g).

For purposes of ~~paragraphs (a) to (h)~~ this subdivision, "city" means a county or a consortium of local government units that agree through a joint powers agreement to apply together for single-family housing programs, and has the meaning given it in section 462C.02, subdivision 6. "Agency" means the Minnesota Housing Finance Agency.

~~(d)~~ (e) The total amount of allocation for mortgage bonds for one city is limited to the lesser of: (i) the amount requested, or (ii) the product of the total amount available for mortgage bonds from the housing pool, multiplied by the ratio of each applicant's population as determined by the most recent estimate of the city's population released by the state demographer's office to the total of all the applicants' population, except that each applicant shall be allocated a minimum of \$100,000 regardless of the amount requested or the amount determined under the formula in clause (ii). If a city applying for an allocation is located within a county that has also applied for an allocation, the city's population will be deducted from the county's population in calculating the amount of allocations under this paragraph.

Upon determining the amount of each applicant's allocation, the agency shall forward to the commissioner a list specifying the amounts allotted to each application with all application fees and deposits from applicants who choose to have the agency issue bonds on their behalf.

Total allocations from the housing pool for single-family housing programs may not exceed 31 percent of the adjusted allocation to the housing pool ~~until after July 15~~.

~~(e)~~ (f) The agency may issue bonds on behalf of participating cities. The agency shall request an allocation from the commissioner for all applicants who choose to have the agency issue bonds on their behalf and the commissioner shall allocate the requested amount to the agency. The agency may request an allocation at any time after ~~the second Tuesday in January and through the last Monday in July~~ June 1. After awarding an allocation and receiving a notice of issuance for the mortgage bonds issued on behalf of the participating cities, the commissioner shall transfer the application deposits to the Minnesota Housing Finance Agency to be returned to the participating cities. The Minnesota Housing Finance Agency shall return any application deposit to a city that paid an application deposit under paragraph (b), clause (4), but was not part of the list forwarded to the commissioner under paragraph ~~(d)~~ (e).

~~(f)~~ (g) A city may choose to issue bonds on its own behalf or through a joint powers agreement and may request an allocation from the commissioner by forwarding an application with an application fee pursuant to section 474A.03, subdivision 4, and a one percent application deposit to the commissioner no later than the Monday of the week preceding an allocation. If the total amount requested by all applicants exceeds the amount available in the pool, the city may not receive a greater allocation than the amount it would have received under the list forwarded by the Minnesota Housing Finance Agency to the commissioner. No city may request or receive an allocation from the commissioner until the list under paragraph ~~(d)~~ (e) has been forwarded to the commissioner. A city must request an allocation from the commissioner no later than the last Monday in ~~July~~ June. No city may receive an allocation from the housing pool for mortgage bonds which has not first applied to the Minnesota Housing Finance Agency. The commissioner shall allocate the requested amount to the city or cities subject to the limitations under this paragraph.

If a city issues mortgage bonds from an allocation received under this paragraph, the issuer must provide for the recycling of funds into new loans. If the issuer is not able to provide for recycling, the issuer must notify the commissioner in writing of the reason that recycling was not possible and the reason the issuer elected not to have the Minnesota Housing Finance Agency issue the bonds. "Recycling" means the use of money generated from the repayment and prepayment of loans for further eligible loans or for the redemption of bonds and the issuance of current refunding bonds.

~~(g)~~ (h) No entitlement city or county or city in an entitlement county may apply for or be allocated authority to issue mortgage bonds or use mortgage credit certificates from the housing pool. No city in an entitlement county may apply for or be allocated authority to issue residential rental bonds from the housing pool or the unified pool.

~~(h)~~ (i) A city that does not use at least 50 percent of its allotment by the date applications are due for the first allocation that is made from the housing pool for single-family housing programs in the immediately succeeding calendar year may not apply to the housing pool for a single-family mortgage bond or mortgage credit certificate program allocation that exceeds the amount of its allotment for the preceding year that was used by the city in the immediately preceding year or receive an allotment from the housing pool in the succeeding calendar year that exceeds the amount of its allotment for the preceding year that was used in the preceding year. The minimum allotment is \$100,000 for an allocation made prior to July ~~15~~ 1, regardless of the amount used in the preceding calendar year, except that a city whose allocation in the preceding year was the minimum amount of \$100,000 and who did not use at least 50 percent of its allocation from the preceding year is ineligible for an allocation in the immediate succeeding calendar year. Each local government unit in a consortium must meet the requirements of this paragraph.

Subd. 2b. **Small issue pool allocation.** Commencing on the second Tuesday in January and continuing on each Monday through the last Monday in ~~July~~ June, the commissioner shall allocate available bonding authority from the small issue pool to applications received on or before the Monday of the preceding week for manufacturing projects and enterprise zone facility projects. From the second Tuesday in January through the last Monday in ~~July~~ June, the commissioner shall reserve \$5,000,000 of the available bonding authority from the small issue pool for applications for agricultural development bond loan projects of the Minnesota Rural Finance Authority.

Beginning in calendar year 2002, on the second Tuesday in January through the last Monday in ~~July~~ June, the commissioner shall reserve \$10,000,000 of available bonding authority in the small issue pool for applications for student loan bonds of or on behalf of the Minnesota Office of Higher Education. The total amount of allocations for student loan bonds from the small issue pool may not exceed \$10,000,000 per year.

The commissioner shall reserve \$10,000,000 until the day after the last Monday in February, \$10,000,000 until the day after the last Monday in April, and \$10,000,000 until the day after the last Monday in June in the small issue pool for enterprise zone facility projects and manufacturing projects. The amount of allocation provided to an issuer for a specific enterprise zone facility project or manufacturing project will be based on the number of points received for the proposed project under the scoring system under section 474A.045.

If there are two or more applications for manufacturing and enterprise zone facility projects from the small issue pool and there is insufficient bonding authority to provide allocations for all projects in any one week, the available bonding authority shall be awarded based on the number of points awarded a project under section 474A.045, with those projects receiving the greatest number of points receiving allocation first. If two or more applications receive an equal number of points, available bonding authority shall be awarded by lot unless otherwise agreed to by the respective issuers.

Subd. 2c. **Public facilities pool allocation.** From the beginning of the calendar year and continuing for a period of 120 days, the commissioner shall reserve \$5,000,000 of the available bonding authority from the public facilities pool for applications for public facilities projects to be financed by the Western Lake Superior Sanitary District. Commencing on the second Tuesday in January and continuing on each Monday through the last Monday in ~~July~~ June, the commissioner shall allocate available bonding authority from the public facilities pool to applications for eligible public facilities projects received on or before the Monday of the preceding week. If there are two or more applications for public facilities projects from the pool and there is insufficient available bonding authority to provide allocations for all projects in any one week, the available bonding authority shall be awarded by lot unless otherwise agreed to by the respective issuers.

Subd. 4. **Return of allocation; deposit refund for small issue pool or public facilities pool.** (a) For any requested allocation from the small issue pool or the public facilities pool, if an issuer that receives an allocation under this section determines that it will not issue obligations equal to all or a portion of the allocation received under this section within 120 days of allocation or within the time period permitted by federal tax law, whichever is less, the issuer must notify the department. If the issuer notifies the department or the 120-day period since allocation has expired prior to the last Monday in ~~July~~ June, the amount of allocation is canceled and returned for reallocation through the pool from which it was originally allocated. If the issuer notifies the department or the 120-day period since allocation has expired on or after the last Monday in ~~July~~ June, the amount of allocation is canceled and returned for reallocation through the unified pool. If the issuer notifies the department after the last Monday in November, the amount of allocation is canceled and returned for reallocation to the Minnesota Housing Finance Agency. To encourage a competitive application process, the commissioner shall reserve, for new applications, the amount of allocation that is canceled and returned for reallocation under this section for a minimum of seven calendar days.

(b) An issuer that returns for reallocation all or a portion of an allocation received under this ~~section~~ subdivision within 120 days of allocation shall receive within 30 days a refund equal to:

(1) one-half of the application deposit for the amount of bonding authority returned within 30 days of receiving allocation;

(2) one-fourth of the application deposit for the amount of bonding authority returned between 31 and 60 days of receiving allocation; and

(3) one-eighth of the application deposit for the amount of bonding authority returned between 61 and 120 days of receiving allocation.

(c) No refund shall be available for allocations returned 120 or more days after receiving the allocation or beyond the last Monday in November.

Subd. 4a. Return of allocation; deposit refund for housing pool. (a) For any requested allocations from the housing pool, if an issuer that receives an allocation under this section determines that it will not issue obligations equal to all or a portion of the allocation received under this section within the time period provided under section 474A.061, subdivision 2a, paragraph (a), or within the time period permitted by federal tax law, whichever is less, the issuer must notify the department. If the issuer notifies the department or the time period provided under section 474A.061, subdivision 2a, paragraph (a), has expired prior to the last Monday in June, the amount of allocation is canceled and returned for reallocation through the pool from which it was originally allocated. If the issuer notifies the department or the time period provided under section 474A.061, subdivision 2a, paragraph (a), has expired on or after the last Monday in June, the amount of the allocation is canceled and returned for reallocation through the unified pool. If the issuer notifies the department after the last Monday in November, the amount of allocation is canceled and returned for reallocation to the Minnesota Housing Finance Agency. To encourage a competitive application process, the commissioner shall reserve, for new applications, the amount of allocation that is canceled and returned for reallocation under this section for a minimum of seven calendar days.

(b) An issuer that returns for reallocation all or a portion of an allocation received under this subdivision within 180 days of allocation shall receive within 30 days a refund equal to:

(1) one-half of the application deposit for the amount of bonding authority returned within 45 days of receiving allocation;

(2) one-fourth of the allocation deposit for the amount of bonding authority returned between 46 and 90 days of receiving allocation; and

(3) one-eighth of the application deposit for the amount of bonding authority returned between 91 and 180 days of receiving allocation.

(c) No refund shall be available for allocations returned 180 or more days after receiving the allocation or beyond the last Monday in November.

Sec. 26. Minnesota Statutes 2016, section 474A.062, is amended to read:

474A.062 MINNESOTA OFFICE OF HIGHER EDUCATION ~~120-DAY~~ ISSUANCE EXEMPTION.

The Minnesota Office of Higher Education is exempt from ~~the 120-day issuance requirements~~ any time limitation on issuance of bonds set forth in this chapter and may carry forward allocations for student loan bonds, subject to carryforward notice requirements of section 474A.131, subdivision 2.

Sec. 27. Minnesota Statutes 2016, section 474A.091, is amended to read:

474A.091 ALLOCATION OF UNIFIED POOL.

Subdivision 1. **Unified pool amount.** On the day after the last Monday in ~~July~~ June any bonding authority remaining unallocated from the small issue pool, the housing pool, and the public facilities pool is transferred to the unified pool and must be reallocated as provided in this section.

Subd. 2. **Application for residential rental projects.** (a) Issuers may apply for an allocation for residential rental bonds under this section by submitting to the department an application on forms provided by the department accompanied by:

(1) a preliminary resolution;

(2) a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter and the Internal Revenue Code;

~~(3) the type of qualified bonds to be issued, (4) an application deposit in the amount of two percent of the requested allocation; (5) a public purpose scoring worksheet for manufacturing and enterprise zone applications, and (6) for residential rental projects, a statement from the applicant or bond counsel as to whether the project preserves existing federally subsidized housing and whether the project is restricted to persons who are 55 years of age or older.~~

(4) a sworn statement from the applicant identifying the project as either a preservation project, 30 percent AMI residential rental project, 50 percent AMI residential rental project, 100 percent LIHTC project, 20 percent LIHTC project, or any other residential rental project; and

(5) a certification from the applicant or its accountant stating whether the requested allocation exceeds the aggregate bond limitation. Applications for projects requesting bonds in excess of the aggregate bond limitation may not apply or be allocated bonding authority until after September 1 each year.

The issuer must pay the application deposit by check. An entitlement issuer may not apply for an allocation for ~~public facility bonds, residential rental project bonds, or mortgage bonds~~ under this section unless it has either permanently issued bonds equal to the amount of its entitlement allocation for the current year plus any amount carried forward from previous years or returned for reallocation all of its unused entitlement allocation. For purposes of this subdivision, its entitlement allocation includes an amount obtained under section 474A.04, subdivision 6.

(b) Within 180 days of receiving an allocation under this subdivision, an issuer must either begin issuing obligations or submit an additional application deposit equal to one percent of the allocation amount; if an additional deposit is submitted, the issuer must begin issuing obligations within 18 months of receiving an allocation. If an issuer that receives an allocation under this subdivision does not issue obligations equal to all or a portion of the allocation received within the 180-day time period provided in this paragraph or returns the allocation to the commissioner, the amount of the allocation is canceled and returned for reallocation through the unified pool. If an issuer that receives an allocation under this subdivision issues obligations within the 180-day time period provided in this paragraph, the commissioner shall refund 50 percent of any application deposit previously paid within 30 days of the issuance of the obligations and the remaining 50 percent of such application deposit will be refunded (1) within 30 days after the date on which Internal Revenue Service Forms 8609 are issued with respect to projects generating low-income housing tax credits, or (2) within 90 days after the issuer provides a certification and any other reasonable documentation requested by the commissioner evidencing that construction of the project has been completed.

(c) Notwithstanding the restrictions imposed on entitlement issuers under this subdivision, the Minnesota Housing Finance Agency may not receive an allocation for mortgage bonds under this section prior to the first Monday in October, but may be awarded allocations for mortgage bonds from the unified pool on or after the first Monday in October. The Minnesota Housing Finance Agency, ~~the Minnesota Office of Higher Education, and the Minnesota Rural Finance Authority~~ may apply for and receive an allocation under this section without submitting an application deposit.

Subd. 2a. Application for all other types of qualified bonds. Issuers may apply for an allocation for all types of qualified bonds other than residential rental bonds under this section by submitting to the department an application on forms provided by the department accompanied by (1) a preliminary resolution, (2) a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter and the Internal Revenue Code, (3) the type of qualified bonds to be issued, (4) an application deposit in the amount of two percent of the requested allocation, and (5) a public purpose scoring worksheet for manufacturing and enterprise zone applications. The issuer must pay the application deposit by check. An entitlement issuer may not apply for an allocation for public facility bonds or mortgage bonds under this section unless it has either permanently issued bonds equal to the amount of its entitlement allocation for the current year plus any amount carried forward from previous years or returned for reallocation all of its unused entitlement allocation. For purposes of this subdivision, its entitlement allocation includes an amount obtained under section 474A.04, subdivision 6.

Notwithstanding the restrictions imposed on entitlement issuers under this subdivision, the Minnesota Housing Finance Agency may not receive an allocation for mortgage bonds under this section prior to the first Monday in October, but may be awarded allocations for mortgage bonds from the unified pool on or after the first Monday in October. The Minnesota Housing Finance Agency, the Minnesota Office of Higher Education, and the Minnesota Rural Finance Authority may apply for and receive an allocation under this section without submitting an application deposit.

Subd. 3. Allocation procedure. (a) The commissioner shall allocate available bonding authority under this section on the Monday of every other week beginning with the first Monday in ~~August~~ July through and on the last Monday in November. Applications for allocations must be received by the department by 4:30 p.m. on the Monday preceding the Monday on which allocations are to be made. If a Monday falls on a holiday, the allocation will be made or the applications must be received by the next business day after the holiday.

(b) Prior to October 1, only the following applications shall be awarded allocations from the unified pool. Allocations shall be awarded in the following order of priority:

- (1) applications for residential rental project bonds;
- (2) applications for small issue bonds for manufacturing projects; and
- (3) applications for small issue bonds for agricultural development bond loan projects.

(c) On the first Monday in October through the last Monday in November, allocations shall be awarded from the unified pool in the following order of priority:

- (1) applications for student loan bonds issued by or on behalf of the Minnesota Office of Higher Education;
- (2) applications for mortgage bonds;
- (3) applications for public facility projects funded by public facility bonds;
- (4) applications for small issue bonds for manufacturing projects;

- (5) applications for small issue bonds for agricultural development bond loan projects;
- (6) applications for residential rental project bonds;
- (7) applications for enterprise zone facility bonds;
- (8) applications for governmental bonds; and
- (9) applications for redevelopment bonds.

(d) If there are two or more applications for manufacturing projects from the unified pool and there is insufficient bonding authority to provide allocations for all manufacturing projects in any one allocation period, the available bonding authority shall be awarded based on the number of points awarded a project under section 474A.045 with those projects receiving the greatest number of points receiving allocation first. If two or more applications for manufacturing projects receive an equal amount of points, available bonding authority shall be awarded by lot unless otherwise agreed to by the respective issuers.

(e) If there are two or more applications for enterprise zone facility projects from the unified pool and there is insufficient bonding authority to provide allocations for all enterprise zone facility projects in any one allocation period, the available bonding authority shall be awarded based on the number of points awarded a project under section 474A.045 with those projects receiving the greatest number of points receiving allocation first. If two or more applications for enterprise zone facility projects receive an equal amount of points, available bonding authority shall be awarded by lot unless otherwise agreed to by the respective issuers.

(f) If there are two or more applications for residential rental projects from the unified pool and there is insufficient bonding authority to provide allocations for all residential rental projects in any one allocation period, the available bonding authority shall be awarded in the following order of priority: (1) projects that preserve existing federally subsidized housing; (2) projects that are not restricted to persons who are 55 years of age or older; and (3) preservation projects; (2) 30 percent AMI residential rental projects; (3) 50 percent AMI residential rental projects; (4) 100 percent LIHTC projects; (5) 20 percent LIHTC projects; (6) other residential rental projects for which the amount of bonds requested in their respective applications do not exceed the aggregate bond limitation; and (7) other residential rental projects for which the amount of bonds requested in their respective applications exceeds the aggregate bond limitation and which apply on or after September 1 of a calendar year. If there are two or more applications for residential rental projects at the same priority level and there is insufficient bonding authority to provide allocations for all such projects in any one allocation period, available bonding authority shall be randomly awarded by lot but only for projects that can receive the full amount of their respective requested allocations. If a residential rental project does not receive any of its requested allocation under the random award, the remaining bonding authority not allocated to the project shall be reserved by the commissioner, or by the Minnesota Housing Finance Agency if the authority is carried forward pursuant to section 474A.131, for the project for up to 24 months thereafter, and if the project applies in the future to the housing pool or unified pool for additional allocation of bonds, the project shall be fully funded up to the remaining amount of its original application request for bonding authority before any new project applying in the same allocation period that has an equal priority shall receive bonding authority.

(g) From the first Monday in ~~August~~ July through the last Monday in ~~November~~ August, \$20,000,000 of bonding authority or an amount equal to the total annual amount of bonding authority allocated to the small issue pool under section 474A.03, subdivision 1, less the amount allocated to issuers from the small issue pool for that year, whichever is less, is reserved within the unified pool for small issue bonds to the extent such amounts are available within the unified pool.

(h) The total amount of allocations for mortgage bonds from the housing pool and the unified pool may not exceed:

(1) \$10,000,000 for any one city; or

(2) \$20,000,000 for any number of cities in any one county.

(i) The total amount of allocations for student loan bonds from the unified pool may not exceed \$25,000,000 per year.

(j) If there is insufficient bonding authority to fund all projects within any qualified bond category other than enterprise zone facility projects, manufacturing projects, and residential rental projects, allocations shall be awarded by lot unless otherwise agreed to by the respective issuers.

(k) If an application is rejected, the commissioner must notify the applicant and return the application deposit to the applicant within 30 days unless the applicant requests in writing that the application be resubmitted.

(l) The granting of an allocation of bonding authority under this section must be evidenced by issuance of a certificate of allocation.

Subd. 3a. **Mortgage bonds.** (a) Bonding authority remaining in the unified pool on October 1 is available for single-family housing programs for cities that applied in ~~January~~ June and received an allocation under section 474A.061, subdivision 2a, in the same calendar year. The Minnesota Housing Finance Agency shall receive an allocation for mortgage bonds pursuant to this section, minus any amounts for a city or consortium that intends to issue bonds on its own behalf under paragraph (c).

(b) The agency may issue bonds on behalf of participating cities. The agency shall request an allocation from the commissioner for all applicants who choose to have the agency issue bonds on their behalf and the commissioner shall allocate the requested amount to the agency. Allocations shall be awarded by the commissioner each Monday commencing on the first Monday in October through the last Monday in November for applications received by 4:30 p.m. on the Monday of the week preceding an allocation.

For cities who choose to have the agency issue bonds on their behalf, allocations will be made loan by loan, on a first-come, first-served basis among the cities. The agency shall submit an application fee pursuant to section 474A.03, subdivision 4, and an application deposit equal to two percent of the requested allocation to the commissioner when requesting an allocation from the unified pool. After awarding an allocation and receiving a notice of issuance for mortgage bonds issued on behalf of the participating cities, the commissioner shall transfer the application deposit to the Minnesota Housing Finance Agency.

For purposes of paragraphs (a) to (d), "city" means a county or a consortium of local government units that agree through a joint powers agreement to apply together for single-family housing programs, and has the meaning given it in section 462C.02, subdivision 6. "Agency" means the Minnesota Housing Finance Agency.

(c) Any city that received an allocation pursuant to section 474A.061, subdivision 2a, paragraph (f), in the current year that wishes to receive an additional allocation from the unified pool and issue bonds on its own behalf or pursuant to a joint powers agreement shall notify the Minnesota Housing Finance Agency by the third Monday in September. The total amount of allocation for mortgage bonds for a city choosing to issue bonds on its own behalf or through a joint powers agreement is limited to the lesser of: (i) the amount requested, or (ii) the product of the total amount available for mortgage bonds from the unified pool, multiplied by the ratio of the population of each city that applied in January and received an allocation under section 474A.061, subdivision 2a, in the same calendar year, as determined by the most recent estimate of the city's population released by the state demographer's office to the total of the population of all the cities that applied in January and received an allocation under section 474A.061,

subdivision 2a, in the same calendar year. If a city choosing to issue bonds on its own behalf or through a joint powers agreement is located within a county that has also chosen to issue bonds on its own behalf or through a joint powers agreement, the city's population will be deducted from the county's population in calculating the amount of allocations under this paragraph.

The Minnesota Housing Finance Agency shall notify each city choosing to issue bonds on its own behalf or pursuant to a joint powers agreement of the amount of its allocation by October 15. Upon determining the amount of the allocation of each choosing to issue bonds on its own behalf or through a joint powers agreement, the agency shall forward a list specifying the amounts allotted to each city.

A city that chooses to issue bonds on its own behalf or through a joint powers agreement may request an allocation from the commissioner by forwarding an application with an application fee pursuant to section 474A.03, subdivision 4, and an application deposit equal to two percent of the requested amount to the commissioner no later than 4:30 p.m. on the Monday of the week preceding an allocation. Allocations to cities that choose to issue bonds on their own behalf shall be awarded by the commissioner on the first Monday after October 15 through the last Monday in November. No city may receive an allocation from the commissioner after the last Monday in November. The commissioner shall allocate the requested amount to the city or cities subject to the limitations under this subdivision.

If a city issues mortgage bonds from an allocation received under this paragraph, the issuer must provide for the recycling of funds into new loans. If the issuer is not able to provide for recycling, the issuer must notify the commissioner in writing of the reason that recycling was not possible and the reason the issuer elected not to have the Minnesota Housing Finance Agency issue the bonds. "Recycling" means the use of money generated from the repayment and prepayment of loans for further eligible loans or for the redemption of bonds and the issuance of current refunding bonds.

(d) No entitlement city or county or city in an entitlement county may apply for or be allocated authority to issue mortgage bonds or use mortgage credit certificates from the unified pool.

(e) An allocation awarded to the agency for mortgage bonds under this section may be carried forward by the agency subject to notice requirements under section 474A.131.

Subd. 4. Remaining bonding authority. All remaining bonding authority available for allocation under this section on December 1, is allocated to the Minnesota Housing Finance Agency.

Subd. 5. Return of allocation; deposit refund. (a) If an issuer that receives an allocation under this section determines that it will not issue obligations equal to all or a portion of the allocation received under this section within ~~120 the applicable number of~~ days ~~or after~~ the allocation required in this chapter or within the time period permitted by federal tax law, whichever is less, the issuer must notify the department. If the issuer notifies the department ~~or the 120 day such~~ period since allocation has expired prior to the last Monday in November, the amount of allocation is canceled and returned for reallocation through the unified pool. If the issuer notifies the department on or after the last Monday in November, the amount of allocation is canceled and returned for reallocation to the Minnesota Housing Finance Agency. To encourage a competitive application process, the commissioner shall reserve, for new applications, the amount of allocation that is canceled and returned for reallocation under this section for a minimum of seven calendar days.

(b) An issuer that returns for reallocation all or a portion of an allocation for all types of bonds other than residential rental project bonds received under this section within 120 days of the allocation shall receive within 30 days a refund equal to:

(1) one-half of the application deposit for the amount of bonding authority returned within 30 days of receiving the allocation;

(2) one-fourth of the application deposit for the amount of bonding authority returned between 31 and 60 days of receiving the allocation; and

(3) one-eighth of the application deposit for the amount of bonding authority returned between 61 and 120 days of receiving the allocation.

(e) No refund of the application deposit shall be available for allocations returned on or after the last Monday in November.

(c) An issuer that returns for reallocation all or a portion of an allocation for residential rental project bonds received under this section within the earlier of 180 days of the allocation or the end of the year shall receive within 30 days a refund equal to:

(1) one-half of the application deposit for the amount of bonding authority returned within 45 days of receiving the allocation;

(2) one-fourth of the application deposit for the amount of bonding authority returned between 46 and 90 days of receiving the allocation; and

(3) one-eighth of the application deposit for the amount of bonding authority returned between 91 and 180 days of receiving the allocation.

No refund of the application deposit shall be available for allocations returned on or after the last Monday in November.

Subd. 6. **Final allocation; carryforward.** Notwithstanding the notice requirements of section 474A.131, subdivision 2, any bonding authority remaining unissued by the Minnesota Housing Finance Agency on the last business day in December shall be carried forward into the next calendar year by the commissioner for the Minnesota Housing Finance Agency. Any authority carried forward shall be allocated to utilize such authority that is closest to expiring first, and in all events, Minnesota Housing Finance Agency shall allocate its bonding authority to utilize such authority carried forward prior to any current year's allocation.

Sec. 28. Minnesota Statutes 2016, section 474A.131, is amended to read:

474A.131 NOTICE OF ISSUE AND NOTICE OF CARRYFORWARD.

Subdivision 1. **Notice of issue.** Each issuer ~~that issues bonds~~ with an allocation received under this chapter shall provide a notice of issue to the department on forms provided by the department stating:

(1) the date of issuance of the bonds;

(2) the title of the issue;

(3) the principal amount of the bonds;

(4) the type of qualified bonds under federal tax law;

(5) the dollar amount of the bonds issued that were subject to the annual volume cap; and

(6) for entitlement issuers, whether the allocation is from current year entitlement authority or is from carryforward authority.

For obligations that are issued as a part of a series of obligations, a notice must be provided for each series. A penalty of one-half of the amount of the application deposit not to exceed \$5,000 shall apply to any issue of obligations for which a notice of issue is not provided to the department within five business days after issuance or before 4:30 p.m. on the last business day in December, whichever occurs first. Within 30 days after receipt of a notice of issue the department shall refund a portion of the application deposit equal to one percent of the amount of the bonding authority actually issued if a one percent application deposit was made, or equal to two percent of the amount of the bonding authority actually issued if ~~a two percent~~ the applicable application deposit was made, less any penalty amount.

Subd. 1a. **Certificate of notice.** If an allocation received under this chapter is used for mortgage credit certificates, a certificate notice must be submitted to the department on forms provided by the department stating the date of the filing of the election not to issue bonds as provided under section 25, paragraph (c), of the Internal Revenue Code and the amount of allocation authority to be used under the program.

A penalty of one-half of the amount of the application deposit not to exceed \$5,000 shall apply to any mortgage credit certificate program for which a certificate notice is not provided to the department within five days of the date of the filing of the election not to issue bonds or before the last Monday in December, whichever occurs first. Within 30 days after receipt of a certificate notice the department shall refund a portion of the application deposit equal to one percent of the amount of the bonding authority to be used for the mortgage credit certificate program, less any penalty amount.

Subd. 1b. **Deadline for issuance of qualified bonds.** (a) If an issuer fails to notify the department before 4:30 p.m. on the last business day in December of issuance of obligations pursuant to an allocation received for any qualified bond project or issuance of an entitlement allocation other than those involving residential rental bonds, the allocation is canceled and the bonding authority is allocated to the Minnesota Housing Finance Agency for carryforward by the commissioner under section 474A.091, subdivision 6.

(b) With respect to (1) an allocation received for a residential rental project for which such obligations have not been issued before 4:30 p.m. on the last business day in December and the time period for issuance of such obligations provided under section 474A.061, subdivision 2a, or section 474A.091, subdivision 2, as applicable has not expired, or (2) bonding authority reserved for a project for up to 24 months under section 474A.061, subdivision 2a, or section 474A.091, subdivision 3, paragraph (f), as of 4:30 p.m. on the last business day of December, such bonding authority shall be allocated to the Minnesota Housing Finance Agency for carryforward by the commissioner under section 474A.091, subdivision 6; provided, however, that such allocation shall remain reserved by the Minnesota Housing Finance Agency for the residential rental project described in the original application and the Minnesota Housing Finance Agency will have the fiduciary duty to issue such bonds as intended by the originally intended issuer. In addition, any obligations issued by the Minnesota Housing Finance Agency for a residential rental project that is subject to this subdivision shall not be subject to the debt management policies of the Minnesota Housing Finance Agency, as adopted and amended from time to time. The Minnesota Housing Finance Agency shall not charge any issuer fees for an issuance under this subdivision and all issuer fees shall be paid to the original applicant for the bonds. Notwithstanding this paragraph, the Minnesota Housing Finance Agency may be reimbursed for its reasonable costs to issue the bonds.

Subd. 2. **Carryforward notice.** If an issuer intends to carry forward an allocation received under this chapter, it must notify the department in writing before 4:30 p.m. on the last business day in December. This notice requirement does not apply to the Minnesota Housing Finance Agency for the carryforward of unallocated unified pool balances or for the carryforward of allocations of residential rental project bonds pursuant to subdivision 1b.

Subd. 3. **Irrevocable allocation.** The department may not revoke an allocation received under this chapter after receiving a notice of issue or certificate notice from the issuer.

Subd. 4. **Allocation plan.** By January 15 of each year, the commissioner of the Minnesota Housing Finance Agency shall annually prepare a tax-exempt bond allocation plan that identifies the amount of tax-exempt bonds allocated to the Minnesota Housing Finance Agency during the previous calendar year, identifies the amount of carryforward bonds and the respective issuers pursuant to subdivision 1b, and for all other bond carryforward, whether or not the Minnesota Housing Finance Agency intends to carryforward such bonds not otherwise allocated in the previous year as qualified residential rental bonds or qualified mortgage bonds or mortgage credit certificates consistent with the requirements of Internal Revenue Service Form 8328, identifies the carryforward balance of any tax-exempt bonds allocated to the Minnesota Housing Finance Agency including those bonds carried forward as qualified residential rental bonds and qualified mortgage bonds or mortgage credit certificates. Prior to January 15 of each year, the Minnesota Housing Finance Agency must post on its official Web site the tax-exempt bond allocation plan and invite public comment until February 1. The Minnesota Housing Finance Agency shall not file the Internal Revenue Service Form 8328 until the public comment period had closed on February 1 unless otherwise required by federal law.

Sec. 29. Minnesota Statutes 2016, section 474A.14, is amended to read:

474A.14 NOTICE OF AVAILABLE AUTHORITY.

The department shall provide at its official Web site a written notice of the amount of bonding authority in the housing, small issue, and public facilities pools as soon after January 1 as possible. The department shall provide at its official Web site a written notice of the amount of bonding authority available for allocation in the unified pool as soon after ~~August~~ July 1 as possible.

Sec. 30. Laws 2014, chapter 312, article 2, section 14, as amended by Laws 2016, chapter 189, article 7, section 8, and Laws 2017, chapter 94, article 6, section 17, is amended to read:

Sec. 14. ASSIGNED RISK TRANSFER.

(a) By June 30, 2015, if the commissioner of commerce determines on the basis of an audit that there is an excess surplus in the assigned risk plan created under Minnesota Statutes, section 79.252, the commissioner of management and budget shall transfer the amount of the excess surplus, not to exceed \$10,500,000, to the general fund. This transfer occurs prior to any transfer under Minnesota Statutes, section 79.251, subdivision 1, paragraph (a), clause (1). This is a onetime transfer.

(b) By June 30, 2015, and each year thereafter, if the commissioner of commerce determines on the basis of an audit that there is an excess surplus in the assigned risk plan created under Minnesota Statutes, section 79.252, the commissioner of management and budget shall transfer the amount of the excess surplus, not to exceed \$4,820,000 each year, to the Minnesota minerals 21st century fund under Minnesota Statutes, section 116J.423. This transfer occurs prior to any transfer under Minnesota Statutes, section 79.251, subdivision 1, paragraph (a), clause (1), but after the transfers authorized in paragraphs (a) and (f). The total amount authorized for all transfers under this paragraph must not exceed \$24,100,000. This paragraph expires the day following the transfer in which the total amount transferred under this paragraph to the Minnesota minerals 21st century fund equals \$24,100,000.

(c) By June 30, 2015, if the commissioner of commerce determines on the basis of an audit that there is an excess surplus in the assigned risk plan created under Minnesota Statutes, section 79.252, the commissioner of management and budget shall transfer the amount of the excess surplus, not to exceed \$4,820,000, to the general fund. This transfer occurs prior to any transfer under Minnesota Statutes, section 79.251, subdivision 1, paragraph (a), clause (1), but after any transfers authorized in paragraphs (a) and (b). If a transfer occurs under this paragraph, the amount transferred is appropriated from the general fund in fiscal year 2015 to the commissioner of labor and industry for the purposes of section 15. Both the transfer and appropriation under this paragraph are onetime.

(d) By June 30, 2016, if the commissioner of commerce determines on the basis of an audit that there is an excess surplus in the assigned risk plan created under Minnesota Statutes, section 79.252, the commissioner of management and budget shall transfer the amount of the excess surplus, not to exceed \$4,820,000, to the general fund. This transfer occurs prior to any transfer under Minnesota Statutes, section 79.251, subdivision 1, paragraph (a), clause (1), but after the transfers authorized in paragraphs (a) and (b). If a transfer occurs under this paragraph, the amount transferred is appropriated from the general fund in fiscal year 2016 to the commissioner of labor and industry for the purposes of section 15. Both the transfer and appropriation under this paragraph are onetime.

(e) Notwithstanding Minnesota Statutes, section 16A.28, the commissioner of management and budget shall transfer to the general fund, any unencumbered or unexpended balance of the appropriations under paragraphs (c) and (d) remaining on June 30, 2016, or the date the commissioner of commerce determines that an excess surplus in the assigned risk plan does not exist, whichever occurs earlier.

(f) By June 30, ~~2017~~ 2018, and each year thereafter, if the commissioner of commerce determines on the basis of an audit that there is an excess surplus in the assigned risk plan created under Minnesota Statutes, section 79.252, the commissioner of management and budget shall transfer the amount of the excess surplus, not to exceed ~~\$2,000,000~~ \$3,000,000 each year, to the ~~rural policy and development center fund under Minnesota Statutes, section 446J.4221~~ Minnesota manufactured home relocation trust fund established in Minnesota Statutes, section 462A.35, subdivision 1. This transfer occurs prior to any transfer under paragraph (b) or under Minnesota Statutes, section 79.251, subdivision 1, paragraph (a), clause (1). The total amount authorized for all transfers under this paragraph must not exceed ~~\$2,000,000~~ \$3,000,000. This paragraph expires the day following the transfer in which the total amount transferred under this paragraph to the ~~rural policy and development center fund~~ Minnesota manufactured home relocation trust fund equals ~~\$2,000,000~~ \$3,000,000.

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

Sec. 31. **ADVANCES TO THE MINNESOTA MANUFACTURED HOME RELOCATION TRUST FUND.**

(a) Until June 30, 2020, the Minnesota Housing Finance Agency is authorized to advance up to \$400,000 from available resources to the Minnesota manufactured home relocation trust fund established under Minnesota Statutes, section 462A.35, if the account balance in the Minnesota manufactured home relocation trust fund is insufficient to pay the amounts claimed under Minnesota Statutes, section 327C.095, subdivision 13.

(b) The Minnesota Housing Finance Agency shall be reimbursed from the Minnesota manufactured home relocation trust fund for any money advanced by the agency under paragraph (a) to the fund.

Sec. 32. **REPEALER.**

Minnesota Statutes 2016, section 471.9996, subdivision 2, is repealed.

Sec. 33. **EFFECTIVE DATE.**

Except as otherwise noted, sections 11 to 28 are effective the day following final enactment.

ARTICLE 5
LABOR AND INDUSTRY

Section 1. Minnesota Statutes 2016, section 177.24, subdivision 1, is amended to read:

Subdivision 1. **Amount.** (a) For purposes of this subdivision, the terms defined in this paragraph have the meanings given them.

(1) "Large employer" means an enterprise whose annual gross volume of sales made or business done is not less than \$500,000 (exclusive of excise taxes at the retail level that are separately stated) and covered by the Minnesota Fair Labor Standards Act, sections 177.21 to 177.35.

(2) "Small employer" means an enterprise whose annual gross volume of sales made or business done is less than \$500,000 (exclusive of excise taxes at the retail level that are separately stated) and covered by the Minnesota Fair Labor Standards Act, sections 177.21 to 177.35.

(3) "Employee receiving gratuities" means an employee who customarily and regularly receives more than \$30 per month in gratuities.

(b) Except as otherwise provided in sections 177.21 to 177.35:

(1) every large employer must pay each employee wages at a rate of at least:

(i) \$8.00 per hour beginning August 1, 2014;

(ii) \$9.00 per hour beginning August 1, 2015;

(iii) \$9.50 per hour beginning August 1, 2016; and

(iv) the rate established under paragraph (f) beginning January 1, 2018; and

(2) every small employer must pay each employee at a rate of at least:

(i) \$6.50 per hour beginning August 1, 2014;

(ii) \$7.25 per hour beginning August 1, 2015;

(iii) \$7.75 per hour beginning August 1, 2016; and

(iv) the rate established under paragraph (f) beginning January 1, 2018.

(c) Notwithstanding paragraph (b), during the first 90 consecutive days of employment, an employer may pay an employee under the age of 20 years a wage of at least:

(1) \$6.50 per hour beginning August 1, 2014;

(2) \$7.25 per hour beginning August 1, 2015;

(3) \$7.75 per hour beginning August 1, 2016; and

(4) the rate established under paragraph (f) beginning January 1, 2018.

No employer may take any action to displace an employee, including a partial displacement through a reduction in hours, wages, or employment benefits, in order to hire an employee at the wage authorized in this paragraph.

(d) Notwithstanding paragraph (b), an employer that is a "hotel or motel," "lodging establishment," or "resort" as defined in Minnesota Statutes 2012, section 157.15, subdivisions 7, 8, and 11, must pay an employee working under a contract with the employer that includes the provision by the employer of a food or lodging benefit, if the employee is working under authority of a summer work travel exchange visitor program (J) nonimmigrant visa, a wage of at least:

- (1) \$7.25 per hour beginning August 1, 2014;
- (2) \$7.50 per hour beginning August 1, 2015;
- (3) \$7.75 per hour beginning August 1, 2016; and
- (4) the rate established under paragraph (f) beginning January 1, 2018.

No employer may take any action to displace an employee, including a partial displacement through a reduction in hours, wages, or employment benefits, in order to hire an employee at the wage authorized in this paragraph.

(e) Notwithstanding paragraph (b), a large employer must pay an employee under the age of 18 at a rate of at least:

- (1) \$6.50 per hour beginning August 1, 2014;
- (2) \$7.25 per hour beginning August 1, 2015;
- (3) \$7.75 per hour beginning August 1, 2016; and
- (4) the rate established under paragraph (f) beginning January 1, 2018.

No employer may take any action to displace an employee, including a partial displacement through a reduction in hours, wages, or employment benefits, in order to hire an employee at the wage authorized in this paragraph.

(f) No later than August 31 of each year, beginning in 2017, the commissioner shall determine the percentage increase in the rate of inflation, as measured by the implicit price deflator, national data for personal consumption expenditures as determined by the United States Department of Commerce, Bureau of Economic Analysis during the 12-month period immediately preceding that August or, if that data is unavailable, during the most recent 12-month period for which data is available. The minimum wage rates in paragraphs (b), (c), (d), and (e) are increased by the lesser of: (1) 2.5 percent, rounded to the nearest cent; or (2) the percentage calculated by the commissioner, rounded to the nearest cent. A minimum wage rate shall not be reduced under this paragraph. The new minimum wage rates determined under this paragraph take effect on the next January 1.

(g)(1) No later than September 30 of each year, beginning in 2017, the commissioner may issue an order that an increase calculated under paragraph (f) not take effect. The commissioner may issue the order only if the commissioner, after consultation with the commissioner of management and budget, finds that leading economic indicators, including but not limited to projections of gross domestic product calculated by the United States Department of Commerce, Bureau of Economic Analysis; the Consumer Confidence Index issued by the Conference Board; and seasonally adjusted Minnesota unemployment rates, indicate the potential for a substantial downturn in the state's economy. Prior to issuing an order, the commissioner shall also calculate and consider the ratio of the rate of the calculated change in the minimum wage rate to the rate of change in state median income over the same time period used to calculate the change in wage rate. Prior to issuing the order, the commissioner shall hold a public

hearing, notice of which must be published in the State Register, on the department's Web site, in newspapers of general circulation, and by other means likely to inform interested persons of the hearing, at least ten days prior to the hearing. The commissioner must allow interested persons to submit written comments to the commissioner before the public hearing and for 20 days after the public hearing.

(2) The commissioner may in a year subsequent to issuing an order under clause (1), make a supplemental increase in the minimum wage rate in addition to the increase for a year calculated under paragraph (f). The supplemental increase may be in an amount up to the full amount of the increase not put into effect because of the order. If the supplemental increase is not the full amount, the commissioner may make a supplemental increase of the difference, or any part of a difference, in a subsequent year until the full amount of the increase ordered not to take effect has been included in a supplemental increase. In making a determination to award a supplemental increase under this clause, the commissioner shall use the same considerations and use the same process as for an order under clause (1). A supplemental wage increase is not subject to and shall not be considered in determining whether a wage rate increase exceeds the limits for annual wage rate increases allowed under paragraph (f).

(h) Notwithstanding paragraph (b), every large employer must pay an employee receiving gratuities a wage of at least:

(1) \$9.65 per hour if the employee earns sufficient gratuities during the workweek so that the sum of \$9.65 per hour and gratuities received averages at least the amount established for large employers under paragraph (j); or

(2) the greater of the wage rate under this section or United States Code, title 29, section 206(a)(1), if the employee does not earn sufficient gratuities during the workweek so that the sum of \$9.65 per hour and gratuities received averages at least the amount established for large employers under paragraph (j).

(i) Notwithstanding paragraph (b), every small employer must pay an employee receiving gratuities a wage of at least:

(1) \$7.87 per hour if the employee earns sufficient gratuities during the workweek so that the sum of \$7.87 per hour and gratuities received averages at least the amount established for small employers under paragraph (j); or

(2) the greater of the wage rate under this section or United States Code, title 29, section 206(a)(1), if the employee does not earn sufficient gratuities during the workweek so that the sum of \$7.87 per hour and gratuities received averages at least the amount established for small employers under paragraph (j).

(j)(1) For large employers, the average hourly wage and gratuity amount begins at \$14 and increases annually by the lesser of:

(i) two percent, rounded to the nearest cent; or

(ii) the percentage calculated by the commissioner under paragraph (f), rounded to the nearest cent.

(2) For small employers, the average hourly wage and gratuity amount begins at \$12 and increases annually by the lesser of:

(i) two percent, rounded to the nearest cent; or

(ii) the percentage calculated by the commissioner under paragraph (f), rounded to the nearest cent.

An average hourly wage and gratuity amount shall not be reduced under this paragraph. The adjusted average hourly wage and salary amounts determined under this paragraph take effect on the next January 1.

Sec. 2. Minnesota Statutes 2016, section 182.666, subdivision 1, is amended to read:

Subdivision 1. **Willful or repeated violations.** Any employer who willfully or repeatedly violates the requirements of section 182.653, or any standard, rule, or order adopted under the authority of the commissioner as provided in this chapter, may be assessed a fine not to exceed ~~\$70,000~~ \$126,750 for each violation. The minimum fine for a willful violation is ~~\$5,000~~ \$9,055.

Sec. 3. Minnesota Statutes 2016, section 182.666, subdivision 2, is amended to read:

Subd. 2. **Serious violations.** Any employer who has received a citation for a serious violation of its duties under section 182.653, or any standard, rule, or order adopted under the authority of the commissioner as provided in this chapter, shall be assessed a fine not to exceed ~~\$7,000~~ \$12,675 for each violation. If a serious violation under section 182.653, subdivision 2, causes or contributes to the death of an employee, the employer shall be assessed a fine of up to \$25,000 for each violation.

Sec. 4. Minnesota Statutes 2016, section 182.666, subdivision 3, is amended to read:

Subd. 3. **Nonserious violations.** Any employer who has received a citation for a violation of its duties under section 182.653, subdivisions 2 to 4, where the violation is specifically determined not to be of a serious nature as provided in section 182.651, subdivision 12, may be assessed a fine of up to ~~\$7,000~~ \$12,675 for each violation.

Sec. 5. Minnesota Statutes 2016, section 182.666, subdivision 4, is amended to read:

Subd. 4. **Failure to correct a violation.** Any employer who fails to correct a violation for which a citation has been issued under section 182.66 within the period permitted for its correction, which period shall not begin to run until the date of the final order of the commissioner in the case of any review proceedings under this chapter initiated by the employer in good faith and not solely for delay or avoidance of penalties, may be assessed a fine of not more than ~~\$7,000~~ \$12,675 for each day during which the failure or violation continues.

Sec. 6. Minnesota Statutes 2016, section 182.666, subdivision 5, is amended to read:

Subd. 5. **Posting violations.** Any employer who violates any of the posting requirements, as prescribed under this chapter, except those prescribed under section 182.661, subdivision 3a, shall be assessed a fine of up to ~~\$7,000~~ \$12,675 for each violation.

Sec. 7. Minnesota Statutes 2016, section 182.666, is amended by adding a subdivision to read:

Subd. 6a. **Increases for inflation.** (a) No later than August 31 of each year, beginning in 2018, the commissioner shall determine the percentage increase in the rate of inflation, as measured by the implicit price deflator, national data for personal consumption expenditures as determined by the United States Department of Commerce, Bureau of Economic Analysis during the 12-month period immediately preceding that August or, if that data is unavailable, during the most recent 12-month period for which data is available. The fines in subdivisions 1, 2, 3, 4, and 5, except for the fine for a serious violation under section 182.653, subdivision 2, that causes or contributes to the death of an employee, are increased by the lesser of (1) 2.5 percent, rounded to the nearest dollar amount evenly divisible by ten, or (2) the percentage calculated by the commissioner, rounded to the nearest dollar amount evenly divisible by ten.

(b) The fines increased under paragraph (a) shall not be increased to an amount greater than the corresponding federal penalties for the specified violations promulgated in United States Code, title 29, section 666, subsections (a)-(d), (i), as amended through November 5, 1990, and adjusted according to United States Code, title 28, section 2461, note (Federal Civil Penalties Inflation Adjustment), as amended through November 2, 2015.

(c) A fine must not be reduced under this subdivision. A fine increased under this subdivision takes effect on the next January 1.

Sec. 8. Minnesota Statutes 2016, section 326B.805, subdivision 3, is amended to read:

Subd. 3. **Prohibition.** Except as provided in subdivision 6, no persons required to be licensed by subdivision 1 may act or hold themselves out as a residential building contractor, residential remodeler, residential roofer, or manufactured home installer for compensation without a license issued by the commissioner. Unlicensed residential building contractor, residential remodeler, or residential roofer activity is a gross misdemeanor.

Sec. 9. **REPEALER.**

Minnesota Statutes 2016, section 177.24, subdivision 2, is repealed.

ARTICLE 6 LAKE WINONA MANAGEMENT

Section 1. **LAKE WINONA MANAGEMENT; USING OFFSET, ADAPTIVE PLANNING.**

(a) To facilitate implementation of the Lake Winona total maximum daily load, the Alexandria Lake Area Sanitary District may fund or perform lake management activities in Lake Winona and in Lake Agnes. Lake management activities may include but are not limited to carp removal and alum treatment. If the district agrees to fund or perform lake management activities in Lake Winona and in Lake Agnes, the commissioner of the Pollution Control Agency shall do one of the following unless the district chooses another path to compliance that conforms to state and federal law, such as facility construction:

(1) approve an offset of the phosphorous loading proportional to the reduction achievable through lake management activities in Lake Winona and Lake Agnes creditable to the Alexandria Lake Area Sanitary District's wastewater treatment facility and issue or amend the district's NPDES permit MN004738 to include the offset. The approved offset may be related to the lake eutrophication response variable chlorophyll-a, but shall ensure the district can achieve compliance with phosphorus effluent limits through wastewater optimization techniques without performing capital upgrades to the wastewater treatment facility. The lake management activities contemplated under paragraph (a) need not be completed before the commissioner approves the offset and related discharge limits or issues the permit, but the permit may include a schedule of compliance outlining the required lake management activities and requiring that lake management activities in Lake Winona and Lake Agnes begin immediately upon permit issuance. The approved offset and related permit language must be consistent with Clean Water Act requirements and Minnesota Statutes, section 115.03, subdivision 10; or

(2) amend the district's NPDES permit MN004738 in a manner consistent with state and federal law to include an integrated and adaptive lake management plan and to extend the final compliance deadline for the final phosphorus concentration effluent limit related to the site specific standard for Lake Winona contained in the district's permit until such time that carp removal in Lake Winona can be completed and the lake can be reassessed. The permit may include a schedule of compliance outlining the required lake management activities and requiring that lake management activities in Lake Winona and Lake Agnes begin immediately upon permit issuance.

(b) If the district agrees to fund or perform the lake management activities identified in paragraph (a), the district may cooperate with the city of Alexandria in those efforts. The district's responsibility for lake management activities in Lake Winona and Lake Agnes terminates upon completion of the lake management activities identified in the schedule of compliance contemplated under paragraph (a).

EFFECTIVE DATE. This section is effective the day after the governing body of the Alexandria Lake Area Sanitary District and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

ARTICLE 7
TELECOMMUNICATIONS

Section 1. Minnesota Statutes 2016, section 116J.394, is amended to read:

116J.394 DEFINITIONS.

- (a) For the purposes of sections 116J.394 to 116J.398, the following terms have the meanings given them.
- (b) "Broadband" or "broadband service" has the meaning given in section 116J.39, subdivision 1, paragraph (b).
- (c) "Broadband infrastructure" means networks of deployed telecommunications equipment and technologies necessary to provide high-speed Internet access and other advanced telecommunications services for end users.
- (d) "Commissioner" means the commissioner of employment and economic development.
- (e) "Last-mile infrastructure" means broadband infrastructure that serves as the final leg connecting the broadband service provider's network to the end-use customer's on-premises telecommunications equipment.
- (f) "Middle-mile infrastructure" means broadband infrastructure that links a broadband service provider's core network infrastructure to last-mile infrastructure.
- (g) "Political subdivision" means any county, city, town, school district, special district or other political subdivision, or public corporation.
- (h) "Satellite broadband equipment" means a satellite dish or modem installed at a broadband user's location in order to receive broadband service from a satellite broadband provider.
- (i) "Satellite broadband provider" means an entity that provides broadband service by means of wireless signals transmitted between communication stations orbiting the earth and satellite broadband equipment installed at a broadband user's location.
- (j) "Satellite dish" means a parabolic aerial installed on a building exterior that receives signals from and transmits signals to a satellite broadband provider's satellite communication station orbiting the earth.
- (k) "Underserved areas" means areas of Minnesota in which households or businesses lack access to wire-line broadband service at speeds of at least 100 megabits per second download and at least 20 megabits per second upload.
- (l) "Unserved areas" means areas of Minnesota in which households or businesses lack access to wire-line broadband service, as defined in section 116J.39.

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

Sec. 2. Minnesota Statutes 2016, section 116J.395, subdivision 2, is amended to read:

Subd. 2. **Eligible expenditures.** (a) Grants may be awarded under this section to fund the acquisition and installation of:

(1) middle-mile and last-mile infrastructure that support broadband service scalable to speeds of at least 100 megabits per second download and 100 megabits per second upload; and

(2) satellite broadband equipment installed on the premises of a broadband user located in an unserved area that can support broadband speeds of at least 25 megabits per second download and three megabits per second upload.

(b) Grants may be awarded under this section to fund monthly satellite broadband service charges for a period of 12 months for a subscriber whose satellite broadband equipment has been partially funded by a grant under paragraph (a), clause (2).

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

Sec. 3. Minnesota Statutes 2016, section 116J.395, subdivision 5, is amended to read:

Subd. 5. **Application contents.** An applicant for a grant under this section shall provide the following information on the application:

- (1) the location of the project;
- (2) the kind and amount of broadband infrastructure or satellite broadband equipment to be purchased for the project;
- (3) evidence regarding the unserved or underserved nature of the community in which the project is to be located;
- (4) the number of households passed that will have access to broadband service as a result of the project, or whose broadband service will be upgraded as a result of the project;
- (5) significant community institutions that will benefit from the proposed project;
- (6) evidence of community support for the project;
- (7) the total cost of the project;
- (8) sources of funding or in-kind contributions for the project that will supplement any grant award;
- (9) evidence that no later than six weeks before submission of the application the applicant contacted, in writing, all entities providing broadband service in the proposed project area to ask for each broadband service provider's plan to upgrade broadband service in the project area to speeds that meet or exceed the state's broadband speed goals in section 237.012, subdivision 1, within the time frame specified in the proposed grant activities;
- (10) the broadband service providers' written responses to the inquiry made under clause (9); and
- (11) any additional information requested by the commissioner.

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

Sec. 4. Minnesota Statutes 2016, section 116J.395, subdivision 7, is amended to read:

Subd. 7. **Limitation.** (a) No grant awarded under this section may fund more than:

- (1) 50 percent of the total cost of a project- under subdivision 2, paragraph (a), clause (1);

(2) 50 percent of the total cost of satellite broadband equipment installed at user locations, up to \$300; or

(3) \$600 in monthly satellite broadband subscription charges.

(b) Grants awarded to a single project under this section must not exceed \$5,000,000.

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

Delete the title and insert:

"A bill for an act relating to state government; appropriating money for jobs and energy; appropriating money for the Department of Employment and Economic Development, Housing Finance Agency, Department of Commerce, Public Facilities Authority, and Department of Labor and Industry; making changes to energy provisions; authorizing carbon reduction facilities; modifying the renewable development account; establishing grant programs; regulating modular and manufactured homes; requiring legislative review of certain rules; modifying housing bond allocation; modifying the minimum wage for employees receiving gratuities; making OSHA federal conformity changes; authorizing management of Lake Winona; authorizing a satellite broadband pilot project; modifying the taconite economic development fund; amending Minnesota Statutes 2016, sections 116J.394; 116J.395, subdivisions 2, 5, 7; 177.24, subdivision 1; 182.666, subdivisions 1, 2, 3, 4, 5, by adding a subdivision; 216A.03, by adding a subdivision; 216B.16, by adding a subdivision; 216B.243, subdivision 8; 216E.03, subdivision 9; 216E.04, subdivisions 2, 7; 216F.01, subdivision 2; 298.28, subdivision 9a; 299D.085, by adding a subdivision; 326B.805, subdivision 3; 326B.815, subdivision 1; 327.31, by adding a subdivision; 327B.041; 327C.095, subdivisions 4, 6, 12, 13, by adding a subdivision; 462A.222, subdivision 3; 474A.02, by adding subdivisions; 474A.03, subdivision 1; 474A.04, subdivision 1a; 474A.047, subdivisions 1, 2; 474A.061; 474A.062; 474A.091; 474A.131; 474A.14; Minnesota Statutes 2017 Supplement, sections 116C.779, subdivision 1; 116C.7792; 216B.164, subdivision 5; 216B.1691, subdivision 2f; 298.227; Laws 2014, chapter 312, article 2, section 14, as amended; Laws 2017, chapter 94, article 1, sections 2, subdivision 2, as amended; 4, subdivisions 3, 5; article 10, sections 28; 29; proposing coding for new law in Minnesota Statutes, chapters 14; 116C; 216B; 216C; 327; repealing Minnesota Statutes 2016, sections 177.24, subdivision 2; 216B.2423; 471.9996, subdivision 2."

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

The report was adopted.

Davids from the Committee on Taxes to which was referred:

H. F. No. 4328, A bill for an act relating to education finance; providing funding for prekindergarten through grade 12 education, including general education; student and school safety; education excellence; teachers; special education; facilities, technology, and libraries; nutrition; early childhood and family support; community education, prevention, self-sufficiency, and lifelong learning; and state agencies; making forecast adjustments; requiring reporting; appropriating money; amending Minnesota Statutes 2016, sections 120A.20, subdivision 2; 120A.22, subdivision 12; 120B.021, by adding a subdivision; 120B.024, subdivision 1; 120B.11, subdivisions 1, 1a, 2, 5, 9; 120B.12, as amended; 120B.299, subdivision 10; 120B.30, subdivisions 1a, 3; 120B.36, subdivision 2; 121A.39; 121A.41, by adding a subdivision; 121A.45, subdivision 1; 121A.46, by adding subdivisions; 121A.47, subdivisions 2, 14; 121A.53, subdivision 1; 121A.55; 121A.61, subdivision 2; 121A.67, by adding a subdivision; 122A.42; 122A.71, subdivision 2; 123B.14, subdivision 7; 123B.41, subdivision 5; 123B.52, subdivision 6; 123B.595, as amended; 123B.61; 124D.09, subdivision 4; 124D.111; 124D.151, subdivision 2; 124D.162; 124D.78, subdivision 2; 124D.98; 124E.03, subdivision 5; 125A.76, subdivision 1; 125B.07, subdivision 6; 126C.15, subdivision 5, by adding a subdivision; 126C.44; 127A.41, as amended; 127A.45, subdivisions 11, 16; 134.355, subdivision 10;

171.02, subdivision 2a; 205A.07, subdivision 2; 245C.02, by adding a subdivision; 245C.12; 299C.17; 471.59, subdivision 1; 475.58, subdivision 4; 609.095; 626.556, subdivision 10; 631.40, subdivision 1a; Minnesota Statutes 2017 Supplement, sections 120B.021, subdivision 1; 120B.122, subdivision 1; 120B.125; 120B.30, subdivision 1; 120B.35, subdivision 3; 120B.36, subdivision 1; 122A.09, subdivision 2, by adding a subdivision; 122A.18, subdivision 8; 122A.187, subdivision 3, by adding a subdivision; 122A.20, subdivisions 1, 2; 122A.40, subdivision 13; 122A.41, subdivision 6; 123B.03, subdivisions 1, 2; 123B.41, subdivision 2; 123B.52, subdivision 7; 124D.09, subdivision 3; 124D.151, subdivision 5; 124D.165, subdivisions 2, 3, 4; 124D.549; 124D.99, subdivision 3; 124E.11; 136A.246, subdivision 4; 155A.30, subdivision 12; 171.02, subdivision 2b; 171.3215, subdivisions 2, 3; 475.59, subdivision 1; 609A.03, subdivision 7a; 626.556, subdivisions 2, 3, 10e; Laws 2016, chapter 189, article 25, sections 61; 62, subdivision 15; Laws 2017, First Special Session chapter 5, article 1, section 19, subdivisions 2, 3, 4, 5, 6, 7, 9; article 2, sections 56; 57, subdivisions 2, 3, 4, 5, 6, 12, 14, 21, 23, 24, 26; article 4, sections 11; 12, subdivisions 2, as amended, 3, 4, 5; article 5, section 14, subdivisions 2, 3; article 6, section 3, subdivisions 2, 3, 4; article 7, section 2, subdivision 5; article 8, sections 9, subdivision 2; 10, subdivisions 3, 5a, 6, 12; article 9, section 2, subdivisions 2, 7; article 10, section 6, subdivision 2; article 11, sections 9; 12; 13; proposing coding for new law in Minnesota Statutes, chapters 120B; 121A; 122A; 125A; 125B; 245C; 299C; repealing Minnesota Statutes 2016, section 120B.299, subdivisions 7, 8, 9, 11; Minnesota Statutes 2017 Supplement, section 122A.09, subdivision 1; Minnesota Rules, part 8710.2100, subparts 1, 2.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. No. 4133 was read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 2484, 3466 and 3596 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Murphy, E., introduced:

H. F. No. 4451, A bill for an act relating to state government; modifying provisions governing health care, children and family services, chemical and mental health services, continuing care, community supports, opioids, and health department; establishing MinnesotaCare Buy-In Option; making changes to statutory provisions affecting older and vulnerable adults; prohibiting retaliation for acting on behalf of a patient or resident; prohibiting deceptive marketing and business practices; creating an Assisted Living and Dementia Care Task Force; requiring rulemaking for assisted living licensure and dementia care unit certification; establishing opioid product stewardship fee; requiring reports; making forecast adjustments; modifying fines; appropriating money; amending Minnesota Statutes

2016, sections 16A.724, subdivision 2; 119B.011, subdivisions 6, 19, by adding subdivisions; 119B.03, subdivision 9; 119B.125, subdivision 1b, by adding subdivisions; 119B.16, subdivisions 1, 1a, 1b, by adding subdivisions; 144.291, subdivision 2; 144.3831, subdivision 1; 144.6501, subdivision 3; 144.651, subdivisions 1, 2, 4, 6, 14, 16, 17, 20, 21, by adding subdivisions; 144A.10, subdivisions 1, 6; 144A.44; 144A.441; 144A.45, subdivisions 1, 2; 144A.474, subdivisions 1, 8, 9; 144A.53, subdivisions 1, 4; 144D.01, subdivision 1; 144D.02; 144D.09; 151.252, subdivision 1; 152.126, subdivision 6, by adding a subdivision; 245.4889, by adding a subdivision; 245C.02, by adding a subdivision; 245C.12; 245E.03, subdivisions 2, 4; 245E.06, subdivision 3; 254B.02, subdivision 1; 254B.06, subdivision 1; 256B.0625, by adding subdivisions; 256B.0659, by adding a subdivision; 256B.439, by adding a subdivision; 325F.71; 518A.51; 573.02, subdivision 2; 609.2231, subdivision 8; 626.557, subdivisions 3, 4, 9, 9a, 9b, 9c, 9d, 10b, 12b, 14, 17; 626.5572, by adding a subdivision; Minnesota Statutes 2017 Supplement, sections 119B.011, subdivision 20; 119B.025, subdivision 1; 119B.09, subdivision 1; 119B.095, subdivision 2; 119B.13, subdivision 6; 144A.474, subdivision 11; 144D.04, subdivision 2; 245.4889, subdivision 1; 254A.03, subdivision 3; 256.045, subdivisions 3, 3b, 4; 256B.0625, subdivision 17; 256B.4914, subdivision 5; Laws 2014, chapter 312, article 27, section 76; Laws 2017, chapter 2, article 1, section 7, as amended; proposing coding for new law in Minnesota Statutes, chapters 119B; 144; 144D; 151; 245C; 256L; 256M; repealing Minnesota Statutes 2016, sections 119B.125, subdivision 5; 119B.16, subdivision 2; 144G.01; 144G.02; 144G.03; 144G.04; 144G.05; 144G.06; 245E.03, subdivision 3; 245E.06, subdivisions 2, 4, 5; Minnesota Rules, part 3400.0185, subpart 5.

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

Howe introduced:

H. F. No. 4452, A bill for an act relating to firefighter licensing; clarifying the responsibilities and duties of the Board of Firefighting Training and Education; specifying terms of licensing and certification; amending Minnesota Statutes 2016, sections 299N.01, subdivision 2; 299N.02, subdivisions 2, 3; 299N.03, subdivisions 4, 5, 6; 299N.04; 299N.05, subdivisions 1, 2, 5, 6, 9; 299N.06.

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

Peterson and Bly introduced:

H. F. No. 4453, A bill for an act relating to education; clarifying the authority of school districts to implement competency-based courses and education programs; amending Minnesota Statutes 2016, section 120B.02, subdivision 2.

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

Loon introduced:

H. F. No. 4454, A bill for an act relating to education; higher education; establishing the P-TECH program to improve pathways from high school to career and college opportunities; requiring a report; appropriating money; amending Minnesota Statutes 2016, section 124D.091, subdivision 3; Minnesota Statutes 2017 Supplement, section 124D.09, subdivision 5b; proposing coding for new law in Minnesota Statutes, chapter 124D.

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

Quam introduced:

H. F. No. 4455, A bill for an act relating to capital investment; appropriating money for removal of sedimentation in Lake Zumbro; authorizing the sale and issuance of state bonds.

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

Lee introduced:

H. F. No. 4456, A bill for an act relating to capital investment; appropriating money for the Baldwin Square project in Minneapolis.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Zerwas introduced:

H. F. No. 4457, A bill for an act relating to health; establishing the Vulnerable Adult Maltreatment Prevention and Accountability Act; modifying provisions governing nursing homes, home care providers, housing with services establishments, and assisted living services; modifying requirements related to reporting maltreatment of vulnerable adults; modifying requirements for data sharing and data classifications; modifying a criminal penalty; establishing working groups; requiring reports; amending Minnesota Statutes 2016, sections 144.6501, subdivision 3, by adding a subdivision; 144.651, subdivisions 1, 2, 4, 14, 16, 20, 21; 144A.10, subdivision 1; 144A.44, subdivision 1; 144A.442; 144A.45, subdivisions 1, 2; 144A.473, subdivision 2; 144A.474, subdivisions 2, 8, 9; 144A.4791, subdivision 10; 144A.53, subdivisions 1, 4, by adding subdivisions; 144D.01, subdivision 1; 144D.02; 144D.04, by adding a subdivision; 144G.01, subdivision 1; 325F.71; 609.2231, subdivision 8; 626.557, subdivisions 3, 4, 9, 9a, 9b, 9c, 9d, 10b, 12b, 14, 17; 626.5572, subdivision 6; Minnesota Statutes 2017 Supplement, sections 144A.10, subdivision 4; 144A.474, subdivision 11; 144D.04, subdivision 2; 256.045, subdivisions 3, 4; proposing coding for new law in Minnesota Statutes, chapters 144; 144D; 144G; repealing Minnesota Statutes 2016, section 256.021.

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

Zerwas introduced:

H. F. No. 4458, A bill for an act relating to health; establishing the Vulnerable Adult Maltreatment Prevention and Accountability Act; modifying provisions governing nursing homes, home care providers, housing with services establishments, and assisted living services; modifying requirements related to reporting maltreatment of vulnerable adults; modifying requirements for data sharing and data classifications; modifying a criminal penalty; establishing working groups; requiring reports; amending Minnesota Statutes 2016, sections 144.6501, subdivision 3, by adding a subdivision; 144.651, subdivisions 1, 2, 4, 14, 16, 20, 21; 144A.10, subdivision 1; 144A.44, subdivision 1; 144A.442; 144A.45, subdivisions 1, 2; 144A.473, subdivision 2; 144A.474, subdivisions 2, 8, 9; 144A.4791, subdivision 10; 144A.53, subdivisions 1, 4, by adding subdivisions; 144D.01, subdivision 1; 144D.02; 144D.04, by adding a subdivision; 144G.01, subdivision 1; 325F.71; 609.2231, subdivision 8; 626.557, subdivisions 3, 4, 9, 9a, 9b, 9c, 9d, 10b, 12b, 14, 17; 626.5572, subdivision 6; Minnesota Statutes 2017 Supplement, sections 144A.10, subdivision 4; 144A.474, subdivision 11; 144D.04, subdivision 2; 256.045, subdivisions 3, 4; proposing coding for new law in Minnesota Statutes, chapters 144; 144D; 144G; repealing Minnesota Statutes 2016, section 256.021.

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

Peppin; Fenton; Hortman; Kiel; Murphy, E.; Smith; Scott; Jessup; Peterson; Franke; Jurgens; Barr, R.; Koznick; Anselmo; Christensen; Albright; Franson; Zerwas; Pugh; Whelan; Wills; Erickson; Theis; Miller; Dettmer; Nash; Haley; Layman; Runbeck; Garofalo; Gruenhagen; O'Neill; Daniels; Lesch and Neu introduced:

H. F. No. 4459, A bill for an act relating to human rights; clarifying the definition of sexual harassment; amending Minnesota Statutes 2016, section 363A.03, subdivision 43.

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

Hansen, Hilstrom, Dettmer, Bly and Lee introduced:

H. F. No. 4460, A bill for an act relating to consumer protection; video games; prohibiting certain sales; proposing coding for new law in Minnesota Statutes, chapter 325I.

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

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. 2636, A bill for an act relating to local government; authorizing towns to appropriate funds to community food shelves; amending Minnesota Statutes 2016, section 465.039.

CAL R. LUDEMAN, Secretary of the Senate

Mr. Speaker:

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

S. F. Nos. 2777 and 3673.

CAL R. LUDEMAN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2777, A bill for an act relating to state government; modifying the Commission of the Deaf, DeafBlind, and Hard-of-Hearing; amending Minnesota Statutes 2016, section 256C.28, subdivisions 1, 2, 3a, 5, by adding a subdivision.

The bill was read for the first time.

Pugh moved that S. F. No. 2777 and H. F. No. 3290, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 3673, A bill for an act relating to human services; modifying provisions relating to discharge from civil commitment for persons committed as mentally ill and dangerous, sexually dangerous, or persons with a sexual psychopathic personality; amending Minnesota Statutes 2016, sections 253B.18, subdivision 15; 253D.31.

The bill was read for the first time.

Johnson, B., moved that S. F. No. 3673 and H. F. No. 3782, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

CALENDAR FOR THE DAY

H. F. No. 3389, A bill for an act relating to children; modifying presumptions in child support modifications; codifying case law; amending Minnesota Statutes 2016, section 518A.39, 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 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

| | | | | | |
|--------------|------------|---------------|------------|------------|------------|
| Albright | Dehn, R. | Heintzeman | Lien | O'Driscoll | Schultz |
| Allen | Dettmer | Hertaus | Loeffler | Olson | Scott |
| Anderson, P. | Drazkowski | Hilstrom | Lohmer | Omar | Smith |
| Anderson, S. | Ecklund | Hoppe | Loon | O'Neill | Sundin |
| Anselmo | Erickson | Hornstein | Loonan | Pelowski | Swedzinski |
| Backer | Fabian | Hortman | Lucero | Peppin | Theis |
| Bahr, C. | Fenton | Howe | Lueck | Petersburg | Torkelson |
| Baker | Fischer | Jessup | Mahoney | Peterson | Uglen |
| Bennett | Flanagan | Johnson, B. | Marquart | Pierson | Urdahl |
| Bernardy | Franke | Johnson, C. | Masin | Pinto | Vogel |
| Bliss | Freiberg | Jurgens | Maye Quade | Poppe | Wagenius |
| Bly | Garofalo | Kiel | McDonald | Poston | Ward |
| Carlson, A. | Green | Knoblach | Metsa | Pryor | West |
| Carlson, L. | Grossell | Koegel | Miller | Pugh | Whelan |
| Christensen | Gruenhagen | Koznick | Moran | Quam | Wills |
| Clark | Gunther | Kresha | Munson | Rarick | Youakim |
| Considine | Haley | Kunesh-Podein | Murphy, M. | Rosenthal | Zerwas |
| Daniels | Halverson | Layman | Nash | Runbeck | Spk. Daudt |
| Davids | Hamilton | Lee | Nelson | Sandstede | |
| Davnie | Hansen | Lesch | Newberger | Sauke | |
| Dean, M. | Hausman | Liebling | Nornes | Schomacker | |

The bill was passed and its title agreed to.

H. F. No. 3833 was reported to the House.

Hilstrom moved to amend H. F. No. 3833, the second engrossment, as follows:

Page 4, line 14, after "a" insert "district" and delete everything after "court" and insert "other than a conciliation court."

Page 4, delete line 15 and insert:

"(c) An eligible adult or other interested person as defined in section 524.5-102 may appeal to the commissioner for the termination of the delay of the disbursement of funds or hold on the transaction. The commissioner shall issue a decision within five business days of receiving the entire record and the submission of appeal."

Page 4, line 16, delete "(c) A court of competent jurisdiction" and insert "(d) A district court other than a conciliation court" and delete "or terminating"

Page 4, line 19, delete everything after "adviser"

Page 4, delete line 20

Page 4, line 21, delete everything before "under"

Page 4, line 22, delete "(d)" and insert "(e)"

Page 4, line 29, delete "court of competent jurisdiction" and insert "district court other than a conciliation court"

Schomacker moved to amend the Hilstrom amendment to H. F. No. 3833, the second engrossment, as follows:

Page 1, after line 1, insert:

"Page 4, line 12, delete "unless" and insert a period

Page 4, delete lines 13 and 14"

Page 1, delete lines 2 and 3

Page 1, line 8, delete "entire record and the submission of" and after the period, insert "A decision of the commissioner may be reviewed consistent with the contested case proceeding procedure provided in chapter 14."

Page 1, delete lines 9 to 16 and insert:

"Page 4, delete lines 16 to 21

Page 4, line 29, delete "of competent jurisdiction"

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Hilstrom amendment, as amended, to H. F. No. 3833, the second engrossment. The motion prevailed and the amendment, as amended, was adopted.

H. F. No. 3833, A bill for an act relating to commerce; providing financial exploitation protections for older adults and vulnerable adults; proposing coding for new law as Minnesota Statutes, chapter 45A.

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 114 yeas and 8 nays as follows:

Those who voted in the affirmative were:

| | | | | | |
|--------------|------------|---------------|------------|------------|------------|
| Albright | Dettmer | Hilstrom | Lien | O'Driscoll | Sauke |
| Allen | Ecklund | Hoppe | Loeffler | Olson | Schomacker |
| Anderson, P. | Erickson | Hornstein | Lohmer | Omar | Schultz |
| Anderson, S. | Fabian | Hortman | Loon | O'Neill | Scott |
| Anselmo | Fenton | Howe | Loonan | Pelowski | Smith |
| Backer | Fischer | Jessup | Lueck | Peppin | Sundin |
| Baker | Flanagan | Johnson, B. | Mahoney | Petersburg | Swedzinski |
| Bennett | Franke | Johnson, C. | Marquart | Peterson | Theis |
| Bernardy | Freiberg | Jurgens | Masin | Pierson | Torkelson |
| Bliss | Green | Kiel | Maye Quade | Pinto | Uglen |
| Bly | Grossell | Knoblach | McDonald | Poppe | Urdahl |
| Carlson, A. | Gruenhagen | Koegel | Metsa | Poston | Wagenius |
| Carlson, L. | Gunther | Koznick | Miller | Pryor | Ward |
| Clark | Haley | Kresha | Moran | Pugh | West |
| Considine | Halverson | Kunesh-Podein | Murphy, M. | Quam | Whelan |
| Daniels | Hamilton | Layman | Nash | Rarick | Wills |
| Davids | Hansen | Lee | Nelson | Rosenthal | Youakim |
| Dean, M. | Hausman | Lesch | Newberger | Runbeck | Zerwas |
| Dehn, R. | Heintzeman | Liebling | Nornes | Sandstede | Spk. Daudt |

Those who voted in the negative were:

| | | | |
|-------------|------------|---------|--------|
| Bahr, C. | Drazkowski | Hertaus | Munson |
| Christensen | Garofalo | Lucero | Vogel |

The bill was passed, as amended, and its title agreed to.

H. F. No. 3280 was reported to the House.

Sundin and Metsa moved to amend H. F. No. 3280, the second engrossment, as follows:

Page 5, line 11, delete "\$50,000" and insert "\$500,000"

Metsa moved to amend the Sundin and Metsa amendment to H. F. No. 3280, the second engrossment, as follows:

Page 1, after line 2, insert:

"Page 5, line 15, delete "2019" and insert "2020"

The motion did not prevail and the amendment to the amendment was not adopted.

The question recurred on the Sundin and Metsa amendment to H. F. No. 3280, the second engrossment. The motion did not prevail and the amendment was not adopted.

Hansen moved to amend H. F. No. 3280, the second engrossment, as follows:

Page 2, delete section 2

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Hansen amendment and the roll was called. There were 51 yeas and 72 nays as follows:

Those who voted in the affirmative were:

| | | | | | |
|-------------|-----------|---------------|------------|-----------|----------|
| Allen | Ecklund | Hortman | Mahoney | Omar | Sauke |
| Bernardy | Fischer | Johnson, C. | Marquart | Pelowski | Schultz |
| Bly | Flanagan | Koegel | Masin | Peppin | Sundin |
| Carlson, A. | Freiberg | Kunesh-Podein | Maye Quade | Peterson | Wagenius |
| Carlson, L. | Halverson | Lee | Metsa | Pinto | Ward |
| Clark | Hansen | Lesch | Moran | Poppe | Youakim |
| Considine | Hausman | Liebling | Murphy, M. | Pryor | |
| Davnie | Hilstrom | Lien | Nelson | Rosenthal | |
| Dehn, R. | Hornstein | Loeffler | Olson | Sandstede | |

Those who voted in the negative were:

| | | | | | |
|--------------|------------|-------------|-----------|------------|------------|
| Albright | Dean, M. | Haley | Kresha | Nornes | Smith |
| Anderson, P. | Dettmer | Hamilton | Layman | O'Driscoll | Swedzinski |
| Anderson, S. | Drazkowski | Heintzeman | Lohmer | O'Neill | Theis |
| Anselmo | Erickson | Hertaus | Loon | Petersburg | Torkelson |
| Backer | Fabian | Hoppe | Loonan | Pierson | Uglem |
| Bahr, C. | Fenton | Howe | Lucero | Poston | Urdahl |
| Baker | Franke | Jessup | Lueck | Pugh | Vogel |
| Bennett | Garofalo | Johnson, B. | McDonald | Quam | West |
| Bliss | Green | Jurgens | Miller | Rarick | Whelan |
| Christensen | Grossell | Kiel | Munson | Runbeck | Wills |
| Daniels | Gruenhagen | Knoblach | Nash | Schomacker | Zerwas |
| Davids | Gunther | Koznick | Newberger | Scott | Spk. Daudt |

The motion did not prevail and the amendment was not adopted.

CALL OF THE HOUSE

On the motion of Peppin and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

| | | | | | |
|--------------|------------|---------------|------------|------------|------------|
| Albright | Dehn, R. | Heintzeman | Lien | O'Driscoll | Schultz |
| Allen | Dettmer | Hertaus | Loeffler | Olson | Scott |
| Anderson, P. | Drazkowski | Hilstrom | Lohmer | Omar | Smith |
| Anderson, S. | Ecklund | Hoppe | Loon | O'Neill | Sundin |
| Anselmo | Erickson | Hornstein | Loonan | Pelowski | Swedzinski |
| Backer | Fabian | Hortman | Lucero | Peppin | Theis |
| Bahr, C. | Fenton | Howe | Lueck | Petersburg | Torkelson |
| Baker | Fischer | Jessup | Mahoney | Peterson | Uglem |
| Bennett | Flanagan | Johnson, B. | Marquart | Pierson | Urdahl |
| Bernardy | Franke | Johnson, C. | Masin | Pinto | Vogel |
| Bliss | Freiberg | Jurgens | Maye Quade | Poppe | Wagenius |
| Bly | Garofalo | Kiel | McDonald | Poston | Ward |
| Carlson, A. | Green | Knoblach | Metsa | Pryor | West |
| Carlson, L. | Grossell | Koegel | Miller | Pugh | Whelan |
| Christensen | Gruenhagen | Koznick | Moran | Quam | Wills |
| Clark | Gunther | Kresha | Munson | Rarick | Youakim |
| Considine | Haley | Kunesh-Podein | Murphy, M. | Rosenthal | Zerwas |
| Daniels | Halverson | Layman | Nash | Runbeck | Spk. Daudt |
| Davids | Hamilton | Lee | Nelson | Sandstede | |
| Davnie | Hansen | Lesch | Newberger | Sauke | |
| Dean, M. | Hausman | Liebling | Nornes | Schomacker | |

All members answered to the call and it was so ordered.

H. F. No. 3280, A bill for an act relating to environment; establishing findings and authorizing listing of wild-rice waters; nullifying and restricting the application of certain water quality standards; requiring a report; appropriating money; amending Laws 2015, First Special Session chapter 4, article 4, section 136, as amended.

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 78 yeas and 45 nays as follows:

Those who voted in the affirmative were:

| | | | | | |
|--------------|------------|-------------|-----------|------------|------------|
| Albright | Dettmer | Heintzeman | Lohmer | O'Driscoll | Scott |
| Anderson, P. | Drazkowski | Hertaus | Loon | O'Neill | Smith |
| Anderson, S. | Ecklund | Hoppe | Loonan | Peppin | Swedzinski |
| Anselmo | Erickson | Howe | Lucero | Petersburg | Theis |
| Backer | Fabian | Jessup | Lueck | Peterson | Torkelson |
| Bahr, C. | Fenton | Johnson, B. | Marquart | Pierson | Uglem |
| Baker | Garofalo | Jurgens | McDonald | Poston | Urdahl |
| Bennett | Green | Kiel | Metsa | Pugh | Vogel |
| Bliss | Grossell | Knoblach | Miller | Quam | West |
| Christensen | Gruenhagen | Koznick | Munson | Rarick | Whelan |
| Daniels | Gunther | Kresha | Nash | Runbeck | Wills |
| Davids | Haley | Layman | Newberger | Sandstede | Zerwas |
| Dean, M. | Hamilton | Lesch | Nornes | Schomacker | Spk. Daudt |

Those who voted in the negative were:

| | | | | | |
|-------------|-----------|---------------|------------|-----------|----------|
| Allen | Dehn, R. | Hilstrom | Lien | Olson | Schultz |
| Bernardy | Fischer | Hornstein | Loeffler | Omar | Sundin |
| Bly | Flanagan | Hortman | Mahoney | Pelowski | Wagenius |
| Carlson, A. | Franke | Johnson, C. | Masin | Pinto | Ward |
| Carlson, L. | Freiberg | Koegel | Maye Quade | Poppe | Youakim |
| Clark | Halverson | Kunesh-Podein | Moran | Pryor | |
| Considine | Hansen | Lee | Murphy, M. | Rosenthal | |
| Davnie | Hausman | Liebling | Nelson | Sauke | |

The bill was passed and its title agreed to.

CALL OF THE HOUSE LIFTED

Peppin moved that the call of the House be lifted. The motion prevailed and it was so ordered.

The Speaker assumed the Chair.

H. F. No. 817, A bill for an act relating to public safety; establishing crimes for interfering or attempting to interfere with point-of-sale terminals, gas pump dispensers, and automated teller machines; amending Minnesota Statutes 2016, sections 609.87, subdivision 2a, by adding subdivisions; 609.891, subdivisions 1, 2, 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 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

| | | | | | |
|--------------|------------|---------------|------------|------------|------------|
| Albright | Dehn, R. | Heintzeman | Lien | O'Driscoll | Schultz |
| Allen | Dettmer | Hertaus | Loeffler | Olson | Scott |
| Anderson, P. | Drazkowski | Hilstrom | Lohmer | Omar | Smith |
| Anderson, S. | Ecklund | Hoppe | Loon | O'Neill | Sundin |
| Anselmo | Erickson | Hornstein | Loonan | Pelowski | Swedzinski |
| Backer | Fabian | Hortman | Lucero | Peppin | Theis |
| Bahr, C. | Fenton | Howe | Lueck | Petersburg | Torkelson |
| Baker | Fischer | Jessup | Mahoney | Peterson | Uglem |
| Bennett | Flanagan | Johnson, B. | Marquart | Pierson | Urdahl |
| Bernardy | Franke | Johnson, C. | Masin | Pinto | Vogel |
| Bliss | Freiberg | Jurgens | Maye Quade | Poppe | Wagenius |
| Bly | Garofalo | Kiel | McDonald | Poston | Ward |
| Carlson, A. | Green | Knoblach | Metsa | Pryor | West |
| Carlson, L. | Grossell | Koegel | Miller | Pugh | Whelan |
| Christensen | Gruenhagen | Koznick | Moran | Quam | Wills |
| Clark | Gunther | Kresha | Munson | Rarick | Youakim |
| Considine | Haley | Kunesh-Podein | Murphy, M. | Rosenthal | Zerwas |
| Daniels | Halverson | Layman | Nash | Runbeck | Spk. Daudt |
| Davids | Hamilton | Lee | Nelson | Sandstede | |
| Davnie | Hansen | Lesch | Newberger | Sauke | |
| Dean, M. | Hausman | Liebling | Nornes | Schomacker | |

The bill was passed and its title agreed to.

**REPORT FROM THE COMMITTEE ON RULES
AND LEGISLATIVE ADMINISTRATION**

Peppin from the Committee on Rules and Legislative Administration, pursuant to rules 1.21 and 3.33, designated the following bills to be placed on the Calendar for the Day for Wednesday, April 25, 2018 and established a prefiling requirement for amendments offered to the following bills:

H. F. Nos. 2743, 3225, 3290, 1609 and 3210.

**ANNOUNCEMENT BY THE SPEAKER
PURSUANT TO RULE 1.15(c)**

A message from the Senate has been received requesting concurrence by the House to amendments adopted by the Senate to the following House File:

H. F. No. 3157.

MOTIONS AND RESOLUTIONS

Dehn, R., moved that the name of Ward be added as an author on H. F. No. 2139. The motion prevailed.

Dean, M., moved that the name of Johnson, C., be added as an author on H. F. No. 2574. The motion prevailed.

Lillie moved that the name of Anselmo be added as an author on H. F. No. 3187. The motion prevailed.

Lueck moved that the name of Newberger be added as an author on H. F. No. 3280. The motion prevailed.

Whelan moved that the names of Murphy, M., and Ecklund be added as authors on H. F. No. 3287. The motion prevailed.

Kiel moved that the name of Newberger be added as an author on H. F. No. 3296. The motion prevailed.

Davids moved that the name of Lohmer be added as an author on H. F. No. 3464. The motion prevailed.

Lohmer moved that the name of Pugh be added as an author on H. F. No. 3551. The motion prevailed.

Albright moved that the name of Bennett be added as an author on H. F. No. 3706. The motion prevailed.

Franke moved that the name of Hamilton be added as an author on H. F. No. 3712. The motion prevailed.

Bly moved that the name of Becker-Finn be added as an author on H. F. No. 3718. The motion prevailed.

Schomacker moved that the name of Newberger be added as an author on H. F. No. 3833. The motion prevailed.

Ward moved that the names of Layman, Koegel and Bennett be added as authors on H. F. No. 4020. The motion prevailed.

Mariani moved that the name of Newberger be added as an author on H. F. No. 4147. The motion prevailed.

Lee moved that the name of Moran be added as an author on H. F. No. 4165. The motion prevailed.

Howe moved that the name of Freiberg be added as an author on H. F. No. 4166. The motion prevailed.

Knoblach moved that the name of Murphy, M., be added as an author on H. F. No. 4272. The motion prevailed.

Thisis moved that the name of Daniels be added as an author on H. F. No. 4433. The motion prevailed.

Poppe moved that the name of Lillie be added as an author on H. F. No. 4444. The motion prevailed.

O'Driscoll moved that H. F. No. 3688, now on the General Register, be re-referred to the Committee on Ways and Means. The motion prevailed.

ADJOURNMENT

Peppin moved that when the House adjourns today it adjourn until 10:00 a.m., Tuesday, April 24, 2018. The motion prevailed.

Peppin moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 10:00 a.m., Tuesday, April 24, 2018.

PATRICK D. MURPHY, Chief Clerk, House of Representatives

