

## STATE OF MINNESOTA

## EIGHTY-SEVENTH SESSION — 2011

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 FORTY-FIRST DAY

SAINT PAUL, MINNESOTA, THURSDAY, APRIL 14, 2011

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

Prayer was offered by Pastor Mark Matychuk, Bethesda Church, Prior Lake, Minnesota.

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

The roll was called and the following members were present:

Abeler	Davnie	Hamilton	Kriesel	Morrow	Scott
Anderson, B.	Dean	Hancock	Lanning	Mullery	Shimanski
Anderson, D.	Dettmer	Hansen	Leidiger	Murdock	Simon
Anderson, P.	Dill	Hausman	LeMieur	Murphy, E.	Slawik
Anderson, S.	Dittrich	Hayden	Lenczewski	Murphy, M.	Slocum
Anzelc	Doepke	Hilstrom	Lesch	Murray	Smith
Atkins	Downey	Hilty	Liebling	Myhra	Stensrud
Banaian	Drazkowski	Holberg	Lillie	Nelson	Swedzinski
Barrett	Eken	Hoppe	Loeffler	Nornes	Torkelson
Beard	Erickson	Hornstein	Lohmer	Norton	Urdahl
Benson, J.	Fabian	Hortman	Loon	O'Driscoll	Vogel
Benson, M.	Falk	Hosch	Mack	Paymar	Wagenius
Bills	Franson	Howes	Mahoney	Pelowski	Ward
Brynaert	Fritz	Huntley	Mariani	Peppin	Wardlow
Buesgens	Garfalo	Johnson	Marquart	Persell	Westrom
Carlson	Gauthier	Kahn	Mazorol	Petersen, B.	Winkler
Champion	Gottwalt	Kath	McDonald	Peterson, S.	Woodard
Clark	Greene	Kieffer	McElfrick	Poppe	Spk. Zellers
Cornish	Greiling	Kiel	McFarlane	Quam	
Crawford	Gruenhagen	Kiffmeyer	McNamara	Runbeck	
Daudt	Gunther	Knuth	Melin	Sanders	
Davids	Hackbarth	Koenen	Moran	Schomacker	

A quorum was present.

Kelly, Laine, Rukavina, Scalze, Thissen and Tillberry 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 STANDING COMMITTEES AND DIVISIONS**

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

H. F. No. 122, A bill for an act relating to insurance; regulating dental plan contracts and provider audits; amending Minnesota Statutes 2010, sections 62Q.76, by adding a subdivision; 62Q.78, by adding subdivisions.

Reported the same back with the following amendments:

Page 1, line 8, delete "plan" and insert "provider" and delete "plan" and insert "provider"

Page 1, line 12, delete "plan" and insert "provider" and delete "plan" and insert "provider"

Page 2, line 3, delete "plan" and insert "provider"

Page 2, line 5, after "subdivision" insert "or the alteration or amendment is made due to state or federal law"

Page 2, line 28, after the first "the" insert "insuring" and delete "that sponsored the plan"

Page 3, line 2, delete "a potential" and insert "an"

Page 3, delete lines 7 to 12

Amend the title as follows:

Page 1, line 2, delete "plan" and insert "provider"

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

The report was adopted.

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

H. F. No. 201, A bill for an act relating to health; limiting use of funds for state-sponsored health programs for funding abortions.

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

The report was adopted.

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

H. F. No. 210, A bill for an act relating to elections; requiring voters to provide picture identification before receiving a ballot; providing for the issuance of identification cards at no charge; establishing a procedure for provisional balloting; specifying other election administration procedures; requiring use of electronic polling place rosters; enacting procedures related to recounts; appropriating money; amending Minnesota Statutes 2010, sections

135A.17, subdivision 2; 200.02, by adding a subdivision; 201.021; 201.022, subdivision 1; 201.061, subdivisions 3, 7; 201.071, subdivision 3; 201.081; 201.121, subdivisions 1, 3; 201.171; 201.221, subdivision 3; 203B.04, subdivisions 1, 2; 203B.06, subdivision 5; 203B.121, subdivision 1; 204B.14, subdivision 2; 204B.40; 204C.10; 204C.12, subdivisions 3, 4; 204C.14; 204C.15, subdivision 1; 204C.20, subdivisions 1, 2, 4, by adding a subdivision; 204C.23; 204C.24, subdivision 1; 204C.38; 204D.24, subdivision 2; 206.86, subdivisions 1, 2; 209.021, subdivision 1; 209.06, subdivision 1; 211B.11, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 200; 201; 204C; proposing coding for new law as Minnesota Statutes, chapters 204E; 206A; repealing Minnesota Statutes 2010, sections 203B.04, subdivision 3; 204B.36, subdivision 5; 204C.34; 204C.35; 204C.36; 204C.361; Minnesota Rules, parts 8200.0300; 8200.0800; 8200.1100; 8200.1200, subparts 1, 1b, 2, 3; 8200.1700; 8200.1800; 8200.2100; 8200.2200; 8200.2500; 8200.2600; 8200.2700; 8200.2900; 8200.2950; 8200.3000; 8200.3100, subpart 1; 8200.3110; 8200.3200; 8200.3500; 8200.3550; 8200.3600; 8200.3700; 8200.3800, subpart 1; 8200.3900; 8200.4000; 8200.5100; 8200.5200; 8200.5300; 8200.5400; 8200.5500; 8200.5600; 8200.5800; 8200.6100; 8200.6200; 8200.6400; 8200.7100; 8200.7200; 8200.9115, subparts 1, 3; 8200.9120; 8200.9300, subparts 7, 8, 9, 10, 11; 8200.9305; 8200.9310, subparts 1, 2, 3, 5; 8200.9315; 8200.9320; 8200.9325; 8200.9939; 8200.9940; 8200.9950; 8200.9960; 8205.1010; 8205.1020; 8205.1030; 8205.1040; 8205.1050; 8205.2000, subparts 1, 1a, 3, 4; 8205.2010; 8205.2100, subpart 1; 8205.2110, subparts 1, 1a, 3, 4; 8205.2120; 8210.0050; 8210.0100; 8210.0200, subpart 4; 8210.0225; 8210.0300; 8210.0500; 8210.0600, subparts 1, 1a, 1b, 2, 3; 8210.0710; 8210.0720; 8210.0730; 8210.0800, subparts 3, 3a, 4; 8210.1000; 8210.2000; 8210.2100; 8210.2200; 8210.2300; 8210.2400; 8210.2450; 8210.2500; 8210.2600; 8210.2700; 8210.3000, subparts 1, 2, 3, 4, 4a, 4b, 5, 6, 7, 8, 9, 10, 11, 12, 13; 8220.0050; 8220.0150; 8220.0250, subparts 1, 1a, 3a, 3b, 4a, 5a, 5b, 11, 14, 15, 16, 18, 18a, 21, 22a, 22b, 24, 26, 28a, 30, 33, 35; 8220.0325; 8220.0350; 8220.0450; 8220.0550; 8220.0650; 8220.0700; 8220.0750; 8220.0800; 8220.0825; 8220.0850; 8220.1050; 8220.1150; 8220.1350; 8220.1450; 8220.1550; 8220.1650; 8220.1750; 8220.1850; 8220.2050; 8220.2250; 8220.2850; 8220.2860; 8220.2865; 8230.0050; 8230.0150; 8230.0250; 8230.0560; 8230.0570; 8230.0580; 8230.0650; 8230.0850; 8230.1050; 8230.1130; 8230.1150, subparts 1, 3; 8230.1350; 8230.1450; 8230.1850; 8230.1860; 8230.2010; 8230.2020; 8230.2030; 8230.2040; 8230.2050; 8230.2150; 8230.2250; 8230.2450; 8230.3450; 8230.3550; 8230.3560; 8230.3750, subparts 1, 2, 4, 5; 8230.3850; 8230.3950; 8230.4050; 8230.4150; 8230.4325; 8230.4355; 8230.4360; 8230.4365; 8230.4370; 8230.4375; 8230.4380; 8230.4385; 8230.4390; 8230.4395; 8235.0200; 8235.0300; 8235.0400; 8235.0600; 8235.0700; 8235.0800; 8235.1100; 8235.1200; 8240.0100; 8240.0200; 8240.0300; 8240.1050; 8240.1100; 8240.1200; 8240.1300; 8240.1350; 8240.1400; 8240.1500; 8240.1600; 8240.1655, subparts 1, 2, 3, 4, 6; 8240.1750; 8240.1800; 8240.1900; 8240.1950; 8240.2000; 8240.2100; 8240.2200; 8240.2300; 8240.2400; 8240.2500; 8240.2700; 8240.2800; 8240.2850; 8240.2900; 8250.0100; 8250.0200; 8250.0300; 8250.0350; 8250.0365; 8250.0370; 8250.0375; 8250.0385; 8250.0390; 8250.0395; 8250.0397; 8250.0398; 8250.0400; 8250.0500; 8250.0600; 8250.0700; 8250.0800; 8250.0900; 8250.1000; 8250.1100; 8250.1200; 8250.1600; 8250.1810.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

#### "ARTICLE 1

#### VOTER REGISTRATION, PHOTO IDENTIFICATION, AND PROVISIONAL BALLOTING

Section 1. Minnesota Statutes 2010, 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 data that are not medical data may be released to law enforcement agencies;

(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, and the Department of Natural Resources for purposes of license application administration; ~~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; and

(5) data on applicants for a Minnesota voter identification card under section 171.07, subdivision 3b, except that the data may be released to a government entity or a court for purposes of carrying out its functions.

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.

Sec. 2. Minnesota Statutes 2010, section 171.01, is amended by adding a subdivision to read:

Subd. 51. **Voter identification card.** "Voter identification card" means a card issued or issuable under the laws of this state by the commissioner of public safety that denotes citizenship, identity, and residence address and may be used as identification and proof of residence for election day voter registration and for voting on election day, but for no other purpose.

Sec. 3. Minnesota Statutes 2010, section 171.06, subdivision 1, is amended to read:

Subdivision 1. **Forms of application.** Every application for a Minnesota identification card, for an enhanced identification card, for an instruction permit, for a provisional license, for a driver's license, ~~or for an enhanced driver's license, or for a voter identification card~~ must be made in a format approved by the department, and every application, ~~except for an application for a voter identification card,~~ must be accompanied by the proper fee. All first-time applications and change-of-status applications must be signed in the presence of the person authorized to accept the application, or the signature on the application may be verified by a notary public. All applications requiring evidence of legal presence in the United States or United States citizenship must be signed in the presence of the person authorized to accept the application, or the signature on the application may be verified by a notary public.

Sec. 4. Minnesota Statutes 2010, 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:

Classified Driver's License	D-\$22.25	C-\$26.25	B-\$33.25	A-\$41.25
Classified Under-21 D.L.	D-\$22.25	C-\$26.25	B-\$33.25	A-\$21.25
Enhanced Driver's License	D-\$37.25	C-\$41.25	B-\$48.25	A-\$56.25
Instruction Permit				\$10.25
Enhanced Instruction Permit				\$25.25
Provisional License				\$13.25

Enhanced Provisional License	\$28.25
Duplicate License or duplicate identification card	\$11.75
Enhanced Duplicate License or enhanced duplicate identification card	\$26.75
Minnesota identification card or Under-21 Minnesota identification card, other than duplicate, except as otherwise provided in section 171.07, subdivisions 3 and 3a	\$16.25
Enhanced Minnesota identification card	\$31.25

In addition to each fee required in this paragraph, the commissioner shall collect a surcharge of \$1.75 until June 30, 2012. 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, or sections 169A.50 to 169A.53, (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) The commissioner shall not collect any fee or surcharge for a voter identification card.

Sec. 5. Minnesota Statutes 2010, section 171.06, subdivision 3, is amended to read:

Subd. 3. **Contents of license application; other information.** (a) An application for a Minnesota identification card, enhanced identification card, instruction permit, provisional license, driver's license, or enhanced driver's license must:

(1) state the full name, date of birth, sex, and either (i) the residence address of the applicant, or (ii) designated address under section 5B.05;

(2) as may be required by the commissioner, contain a description of the applicant and any other facts pertaining to the applicant, the applicant's driving privileges, and the applicant's ability to operate a motor vehicle with safety;

(3) state:

(i) the applicant's Social Security number; or

(ii) if the applicant does not have a Social Security number and is applying for a Minnesota identification card, instruction permit, or class D provisional or driver's license, that the applicant certifies that the applicant does not have a Social Security number;

(4) in the case of an application for an enhanced driver's license or enhanced identification card, present:

(i) proof satisfactory to the commissioner of the applicant's full legal name, United States citizenship, identity, date of birth, Social Security number, and residence address; and

(ii) a photographic identity document;

(5) contain a space where the applicant may indicate a desire to make an anatomical gift according to paragraph (b);

(6) contain a notification to the applicant of the availability of a living will/health care directive designation on the license under section 171.07, subdivision 7; and

(7) contain a space where the applicant may request a veteran designation on the license under section 171.07, subdivision 15, and the driving record under section 171.12, subdivision 5a.

(b) If the applicant does not indicate a desire to make an anatomical gift when the application is made, the applicant must be offered a donor document in accordance with section 171.07, subdivision 5. The application must contain statements sufficient to comply with the requirements of the Darlene Luther Revised Uniform Anatomical Gift Act, chapter 525A, so that execution of the application or donor document will make the anatomical gift as provided in section 171.07, subdivision 5, for those indicating a desire to make an anatomical gift. The application must be accompanied by information describing Minnesota laws regarding anatomical gifts and the need for and benefits of anatomical gifts, and the legal implications of making an anatomical gift, including the law governing revocation of anatomical gifts. The commissioner shall distribute a notice that must accompany all applications for and renewals of a driver's license or Minnesota identification card. The notice must be prepared in conjunction with a Minnesota organ procurement organization that is certified by the federal Department of Health and Human Services and must include:

(1) a statement that provides a fair and reasonable description of the organ donation process, the care of the donor body after death, and the importance of informing family members of the donation decision; and

(2) a telephone number in a certified Minnesota organ procurement organization that may be called with respect to questions regarding anatomical gifts.

(c) The application must be accompanied also by information containing relevant facts relating to:

(1) the effect of alcohol on driving ability;

(2) the effect of mixing alcohol with drugs;

(3) the laws of Minnesota relating to operation of a motor vehicle while under the influence of alcohol or a controlled substance; and

(4) the levels of alcohol-related fatalities and accidents in Minnesota and of arrests for alcohol-related violations.

Sec. 6. Minnesota Statutes 2010, section 171.06, is amended by adding a subdivision to read:

**Subd. 3b. Application for voter identification card. An application for a voter identification card, including a renewal or duplicate card, or a new card required as a result of change of address, must:**

(1) state the applicant's full legal name, date of birth, sex, residence address, and Social Security number;

(2) describe the applicant in the manner the commissioner deems necessary;

(3) be accompanied by proof satisfactory to the commissioner of the applicant's United States citizenship;

(4) state the length of residence at the applicant's current address; and

(5) present a photographic identity document or affirm under penalty of perjury that the applicant has a religious objection to the use of a photographic image.

Sec. 7. Minnesota Statutes 2010, section 171.061, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For purposes of this section:

(1) "applicant" means an individual applying for a driver's license, provisional license, restricted license, duplicate license, instruction permit, Minnesota identification card, voter identification card, or motorized bicycle operator's permit; and

(2) "application" refers to an application for a driver's license, provisional license, restricted license, duplicate license, instruction permit, Minnesota identification card, voter identification card, or motorized bicycle operator's permit.

Sec. 8. Minnesota Statutes 2010, section 171.061, subdivision 3, is amended to read:

Subd. 3. **Application.** An applicant may file an application with an agent. The agent shall receive and accept applications in accordance with the laws and rules of the Department of Public Safety for a driver's license, restricted license, duplicate license, instruction permit, Minnesota identification card, voter identification card, or motorized bicycle operator's permit.

Sec. 9. Minnesota Statutes 2010, section 171.061, subdivision 4, is amended to read:

Subd. 4. **Fee; equipment.** (a) The agent may charge and retain a filing fee of \$5 for each application, except for an application for a voter identification card, for which no filing fee may be charged. Except as provided in paragraph (b), the fee shall cover all expenses involved in receiving, accepting, or forwarding to the department the applications and fees required under sections 171.02, subdivision 3; 171.06, subdivisions 2 and 2a; and 171.07, subdivisions 3 and 3a.

(b) The department shall maintain the photo identification equipment for all agents appointed as of January 1, 2000. Upon the retirement, resignation, death, or discontinuance of an existing agent, and if a new agent is appointed in an existing office pursuant to Minnesota Rules, chapter 7404, and notwithstanding the above or Minnesota Rules, part 7404.0400, the department shall provide and maintain photo identification equipment without additional cost to a newly appointed agent in that office if the office was provided the equipment by the department before January 1, 2000. All photo identification equipment must be compatible with standards established by the department.

(c) A filing fee retained by the agent employed by a county board must be paid into the county treasury and credited to the general revenue fund of the county. An agent who is not an employee of the county shall retain the filing fee in lieu of county employment or salary and is considered an independent contractor for pension purposes, coverage under the Minnesota State Retirement System, or membership in the Public Employees Retirement Association.

(d) Before the end of the first working day following the final day of the reporting period established by the department, the agent must forward to the department all applications and fees collected during the reporting period except as provided in paragraph (c). The department shall transmit payment to the agent of \$5 for each application for a voter identification card. An agent employed by a county board shall remit the payments to the county under paragraph (c) and all other agents may retain the payments.

Sec. 10. Minnesota Statutes 2010, section 171.07, subdivision 1a, is amended to read:

Subd. 1a. **Filing photograph or image; data classification.** The department shall file, or contract to file, all photographs or electronically produced images obtained in the process of issuing drivers' licenses ~~or~~ Minnesota identification cards, or voter identification cards. The photographs or electronically produced images shall be

private data pursuant to section 13.02, subdivision 12. Notwithstanding section 13.04, subdivision 3, the department shall not be required to provide copies of photographs or electronically produced images to data subjects. The use of the files is restricted:

(1) to the issuance and control of drivers' licenses and voter identification cards;

(2) to criminal justice agencies, as defined in section 299C.46, subdivision 2, for the investigation and prosecution of crimes, service of process, enforcement of no contact orders, location of missing persons, investigation and preparation of cases for criminal, juvenile, and traffic court, and supervision of offenders;

(3) to public defenders, as defined in section 611.272, for the investigation and preparation of cases for criminal, juvenile, and traffic courts; and

(4) to child support enforcement purposes under section 256.978.

Sec. 11. Minnesota Statutes 2010, section 171.07, is amended by adding a subdivision to read:

**Subd. 3b. Voter identification cards.** (a) A voter identification card must be issued to a qualifying applicant who, on the election day next occurring after the date of issuance, will meet the voter eligibility requirements of the Minnesota State Constitution and statutes, and who does not possess a current Minnesota driver's license or Minnesota identification card.

(b) A voter identification card must bear a distinguishing number assigned to the applicant; the applicant's full name and date of birth; the applicant's address of residence; a description of the applicant in the manner as the commissioner deems necessary; the date of the card's expiration; and the usual signature of the applicant. The card must bear a colored photograph or an electronically produced image of the applicant, or, for an applicant who has affirmed a religious objection under section 171.06, subdivision 3b, clause (5), the card must bear the words "Valid without photograph."

(c) A voter identification card shall not be valid identification for purposes unrelated to voting in Minnesota.

(d) A voter identification card must be of a different color scheme than a Minnesota driver's license or state identification card, but must incorporate the same information and security features as provided in subdivision 9.

(e) Each voter identification card must be plainly marked: "Voter Identification – Not a driver's license. Valid Identification Only for Voting."

Sec. 12. Minnesota Statutes 2010, section 171.07, subdivision 4, is amended to read:

**Subd. 4. Expiration.** (a) Except as otherwise provided in this subdivision, the expiration date of Minnesota identification cards and voter identification cards of applicants under the age of 65 shall be the birthday of the applicant in the fourth year following the date of issuance of the card.

(b) Minnesota identification cards and voter identification cards issued to applicants age 65 or over shall be valid for the lifetime of the applicant.

(c) The expiration date for an Under-21 identification card is the cardholder's 21st birthday. The commissioner shall issue an identification card to a holder of an Under-21 identification card who applies for the card, pays the required fee, and presents proof of identity and age, unless the commissioner determines that the applicant is not qualified for the identification card.



Sec. 13. Minnesota Statutes 2010, section 171.07, subdivision 9, is amended to read:

Subd. 9. **Improved security.** ~~The commissioner shall develop new Drivers' licenses and, identification cards, to be issued beginning January 1, 1994, that~~ and voter identification cards must be as impervious to alteration as is reasonably practicable in their design and quality of material and technology. The driver's license security laminate shall be made from materials not readily available to the general public. The design and technology employed must enable the driver's license and identification card to be subject to two or more methods of visual verification capable of clearly indicating the presence of tampering or counterfeiting. The driver's license and identification card must not be susceptible to reproduction by photocopying or simulation and must be highly resistant to data or photograph substitution and other tampering.

Sec. 14. Minnesota Statutes 2010, section 171.07, subdivision 14, is amended to read:

Subd. 14. **Use of Social Security number.** An applicant's Social Security number must not be displayed, encrypted, or encoded on the driver's license ~~or~~ Minnesota identification card, voter identification card, or included in a magnetic strip or bar code used to store data on the license ~~or~~ Minnesota identification card, or voter identification card. The Social Security number must not be used as a Minnesota driver's license ~~or~~ identification, or voter identification number.

Sec. 15. Minnesota Statutes 2010, section 171.071, is amended to read:

**171.071 PHOTOGRAPH ON LICENSE ~~OR~~, IDENTIFICATION CARD, OR VOTER IDENTIFICATION CARD.**

Subdivision 1. **Religious objection.** Notwithstanding the provisions of section 171.07, the commissioner of public safety may adopt rules to permit identification on a driver's license ~~or~~ Minnesota identification card, or voter identification card in lieu of a photograph or electronically produced image where the commissioner finds that the licensee has religious objections to the use of a photograph or electronically produced image.

Subd. 2. **Certain head wear permitted.** If an accident involving a head injury, serious illness, or treatment of the illness has resulted in hair loss by an applicant for a driver's license ~~or~~ identification card, or voter identification card, the commissioner shall permit the applicant to wear a hat or similar head wear in the photograph or electronically produced image. The hat or head wear must be of an appropriate size and type to allow identification of the holder of the license or card and must not obscure the holder's face.

Subd. 3. **Exception.** Subdivisions 1 and 2 do not apply to the commissioner's requirements pertaining to a photograph or electronically produced image on an enhanced driver's license or an enhanced identification card.

Sec. 16. Minnesota Statutes 2010, section 171.11, is amended to read:

**171.11 DUPLICATE LICENSE ~~OR~~ VOTER IDENTIFICATION CARD; CHANGE OF DOMICILE OR NAME.**

Subdivision 1. **Duplicate driver's license.** When any person, after applying for or receiving a driver's license, shall change permanent domicile from the address named in such application or in the license issued to the person, or shall change a name by marriage or otherwise, such person shall, within 30 days thereafter, apply for a duplicate driver's license upon a form furnished by the department and pay the required fee. The application or duplicate license shall show both the licensee's old address and new address or the former name and new name as the case may be.

Subd. 2. **Duplicate voter identification card.** A voter identification cardholder who changes residence address or name from the address or name stated on the card shall not present the card for voting purposes, but must apply for a duplicate voter identification card upon a form furnished by the department. The application for duplicate voter identification card must show the cardholder's former address and current address, along with length of residence at the current address, and the former name and current name, as applicable.

Sec. 17. Minnesota Statutes 2010, section 171.14, is amended to read:

**171.14 CANCELLATION.**

(a) The commissioner may cancel any driver's license or voter identification card upon determination that (1) the licensee or cardholder was not entitled to the issuance of the license or card, (2) the licensee or cardholder failed to give the required or correct information in the application, (3) the licensee or cardholder committed any fraud or deceit in making the application, or (4) the person, at the time of the cancellation, would not have been entitled to receive a license under section 171.04, or a cardholder under section 171.07.

(b) The commissioner shall cancel the driver's license of a person described in paragraph (a), clause (3), for 60 days or until the required or correct information has been provided, whichever is longer.

(c) The commissioner shall cancel the voter identification card of a person described in paragraph (a) until the person completes the application process under section 171.06, and complies in all respects with the requirements of the commissioner.

(d) The commissioner shall immediately notify the holder of a voter identification card of a cancellation of the card. Notification must be by mail, addressed to the cardholder's last known address, with postage prepaid.

Sec. 18. **[200.035] DOCUMENTATION OF IDENTITY AND RESIDENCE.**

The following are sufficient proof of identity and residence for purposes of election day voter registration under section 201.061, subdivision 3, and for determining whether to count a provisional ballot under section 204C.135, subdivision 2:

(1) a current driver's license, state identification card, or voter identification card issued to the voter by the Department of Public Safety that contains the voter's current address of residence in the precinct;

(2) an identification card issued to the voter by the tribal government of a tribe recognized by the Bureau of Indian Affairs that contains a photograph of the voter, the voter's current address of residence in the precinct, and any other items of data required to be contained on a Minnesota identification card, as provided in section 171.07, subdivision 3, paragraphs (a) and (b);

(3) an original receipt for a new, renewed, or updated driver's license, state identification card, or voter identification card issued to the voter under section 171.07 that contains the voter's current address of residence in the precinct along with one of the following documents, provided that it contains a photograph of the voter:

(i) a driver's license, identification card, or voter identification card that is expired or does not contain the voter's current address of residence, issued to the voter by the state of Minnesota or any other state or territory of the United States;

(ii) a United States passport, issued to the voter;

(iii) an identification card issued by a branch, department, agency, entity, or subdivision of Minnesota or the federal government;

(iv) an identification card issued by an accredited postsecondary institution with a campus located within Minnesota, if a list of students from that institution has been prepared under section 135A.17 and certified to the county auditor in the manner provided in rules of the secretary of state; or

(v) an identification card issued to the voter by the tribal government of a tribe recognized by the Bureau of Indian Affairs;

(4) if the voter is a student, a driver's license or identification card issued by Minnesota or any other state or territory of the United States that does not contain the voter's current address of residence, along with a current student fee statement that contains the student's valid address of residence in the precinct; or

(5) if the voter resides in a shelter facility designated for battered women, as defined in section 611A.37, subdivision 4, a driver's license or identification card issued to the voter by the Department of Public Safety that contains the voter's photograph and address of residence prior to seeking the services of the shelter facility, along with a certification of residence in the facility, signed by the facility's administrator on a form prescribed by the secretary of state.

Sec. 19. **[201.017] STATE-SUBSIDIZED VOTER IDENTIFICATION CARD ACCOUNT.**

A state-subsidized voter identification card account is established in the special revenue fund. Money in the account is appropriated by law to the Department of Public Safety for purposes of providing state-subsidized voter identification cards to individuals qualifying under this section 171.07, subdivision 3b, provided that the department may not be reimbursed more than \$9.85 for each card issued. The commissioner of public safety must report to the legislature at least monthly by county on expenditure of funds from this account. A report of the total expenditures by county must be submitted to the members of the house and senate committees with oversight in elections by January 31 of each year.

Sec. 20. Minnesota Statutes 2010, section 201.061, subdivision 3, is amended to read:

Subd. 3. **Election day registration.** (a) An individual who is eligible to vote may register on election day by appearing in person at the polling place for the precinct in which the individual maintains residence, by completing a registration application, making an oath in the form prescribed by the secretary of state and providing proof of identity and residence. An individual may prove identity and residence for purposes of registering by: presenting documentation as permitted by section 200.035.

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

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

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

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

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

~~(4) having a voter who is registered to vote in the precinct, or who is an employee employed by and working in a residential facility in the precinct and vouching for a resident in the facility, sign an oath in the presence of the election judge vouching that the voter or employee personally knows that the individual is a resident of the precinct. A voter who has been vouched for on election day may not sign a proof of residence oath vouching for any other individual on that election day. A voter who is registered to vote in the precinct may sign up to 15 proof of residence oaths on any election day. This limitation does not apply to an employee of a residential facility described in this clause. The secretary of state shall provide a form for election judges to use in recording the number of individuals for whom a voter signs proof of residence oaths on election day. The form must include space for the maximum number of individuals for whom a voter may sign proof of residence oaths. For each proof of residence oath, the form must include a statement that the voter is registered to vote in the precinct, personally knows that the individual is a resident of the precinct, and is making the statement on oath. The form must include a space for the voter's printed name, signature, telephone number, and address.~~

~~The oath required by this subdivision and Minnesota Rules, part 8200.9939, must be attached to the voter registration application.~~

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

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

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

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

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

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

Sec. 21. Minnesota Statutes 2010, section 201.221, subdivision 3, is amended to read:

Subd. 3. **Procedures for polling place rosters.** The secretary of state shall prescribe the form of polling place rosters that include the voter's name, address, date of birth, school district number, and space for the voter's signature. The address listed on the polling place roster must be the voter's address of residence, unless the voter has requested that the address printed on the roster be the voter's mailing address because the voter is a judge, or a law enforcement or corrections officer. The secretary of state may prescribe additional election-related information to be placed on the polling place rosters on an experimental basis for one state primary and general election cycle; the same information may not be placed on the polling place roster for a second state primary and general election cycle unless specified in this subdivision. The polling place roster must be used to indicate whether the voter has voted in a given election. The secretary of state shall prescribe procedures for transporting the polling place rosters to the election judges for use on election day. The secretary of state shall prescribe the form for a county or municipality to request the date of birth from currently registered voters. The county or municipality shall not request the date of birth from currently registered voters by any communication other than the prescribed form and the form must clearly indicate that a currently registered voter does not lose registration status by failing to provide the date of birth. In accordance with section 204B.40, the county auditor shall retain the prescribed polling place rosters used on the date of election for 22 months following the election.

Sec. 22. Minnesota Statutes 2010, section 204C.10, is amended to read:

#### **204C.10 PERMANENT REGISTRATION; VERIFICATION OF REGISTRATION.**

**Subdivision 1. Polling place roster.** (a) An individual seeking to vote shall sign a polling place roster which states that the individual is at least 18 years of age, a citizen of the United States, has resided in Minnesota for 20 days immediately preceding the election, maintains residence at the address shown, is not under a guardianship in

which the court order revokes the individual's right to vote, has not been found by a court of law to be legally incompetent to vote or has the right to vote because, if the individual was convicted of a felony, the felony sentence has expired or been completed or the individual has been discharged from the sentence, is registered and has not already voted in the election. The roster must also state: "I understand that deliberately providing false information is a felony punishable by not more than five years imprisonment and a fine of not more than \$10,000, or both."

(b) ~~A judge may~~, Before the applicant signs the roster, a judge must: (1) require the voter to present a photo identification document, as described in subdivision 2; and (2) confirm the applicant's name, address, and date of birth. A voter who cannot produce sufficient identification as required by subdivision 2 may not sign the polling place roster, but may cast a provisional ballot, as provided in section 204C.135.

(c) After the applicant signs the roster, the judge shall give the applicant a voter's receipt. The voter shall deliver the voter's receipt to the judge in charge of ballots as proof of the voter's right to vote, and thereupon the judge shall hand to the voter the ballot. The voters' receipts must be maintained ~~during the time for notice of filing an election contest~~ for 36 months following the date of the election.

Subd. 2. **Photo identification.** (a) To satisfy the photo identification requirement in subdivision 1, a voter must present a valid form of one of the following documents or sets of documents, issued to the voter:

(1) a Minnesota driver's license state identification card, or voter identification card issued under section 171.07 that contains the voter's current address of residence in the precinct;

(2)(i) an original receipt for a new, renewed, or updated driver's license, state identification card, or voter identification card issued to the voter under section 171.07 that contains the voter's current address of residence in the precinct; and

(ii) a driver's license, identification card, or a voter identification card that is expired, invalidated, or does not contain the voter's current address of residence in the precinct, issued to the voter by the state of Minnesota or any other state or territory of the United States;

(3) an identification card issued by the tribal government of a tribe recognized by the Bureau of Indian Affairs that contains a photograph of the voter, the voter's current address of residence in the precinct, and any other items of data required to be contained on a Minnesota identification card, as provided in section 171.07, subdivision 3, paragraphs (a) and (b); or

(4) if the voter resides in a shelter facility designated for battered women, as defined in section 611A.37, subdivision 4, a driver's license or identification card issued to the voter by the Department of Public Safety that contains the voter's photograph and address of residence prior to seeking the services of the shelter facility, along with a certification of residence in the facility, signed by the facility's administrator on a form prescribed by the secretary of state.

(b) An identification card presented under this section is not deficient for a lack of the voter's current address of residence in the precinct if the identification card contains the mailing address of the voter and that matches the address listed on the polling place roster.

Sec. 23. Minnesota Statutes 2010, section 204C.12, subdivision 3, is amended to read:

Subd. 3. **Determination of residence.** In determining the legal residence of a challenged individual, the election judges shall be governed by the principles contained in section 200.031. If the challenged individual's answers to the questions show ineligibility to vote in that precinct, the individual shall not be allowed to vote. If the individual has marked ballots but not yet deposited them in the ballot boxes before the election judges determine ineligibility to vote in that precinct, the marked ballots shall be placed ~~unopened~~ with the spoiled ballots. If the

answers to the questions fail to show that the individual is not eligible to vote in that precinct and the challenge is not withdrawn, the election judges shall ~~verbally administer the oath on the voter certificate to the individual. After taking the oath and completing and signing the voter certificate, the challenged individual shall be allowed to vote~~ permit the voter to cast a provisional ballot, in the manner provided in section 204C.135.

Sec. 24. **[204C.135] PROVISIONAL BALLOTS.**

**Subdivision 1. Casting of provisional ballots.** (a) The following voters seeking to vote are entitled to cast a provisional ballot in the manner provided by this section:

(1) a voter who is unable to provide proper photo identification as required by section 204C.10;

(2) a voter whose registration status is listed as "challenged" on the polling place roster; and

(3) a voter whose eligibility to vote is challenged as permitted by section 204C.12.

(b) A voter seeking to vote a provisional ballot must sign a provisional ballot roster and complete a provisional ballot envelope. The envelope must contain a space for the voter to list the voter's name, address of residence, date of birth, voter identification number, and any other information prescribed by the secretary of state. The voter must also swear or affirm, in writing, that the voter is eligible to vote, has not voted previously in the same election, and meets the criteria for registering to vote in the precinct in which the voter appears.

Once the voter has completed the provisional ballot envelope, the voter must be allowed to cast a provisional ballot. The provisional ballot must be in the same form as the official ballot available in the precinct on election day. A completed provisional ballot shall be sealed in a secrecy envelope. The secrecy envelope shall be sealed inside the voter's provisional ballot envelope and deposited by the voter in a secure, sealed provisional ballot box. Completed provisional ballots may not be combined with other voted ballots in the polling place.

(c) The form of the secrecy and provisional ballot envelopes shall be prescribed by the secretary of state. The provisional ballot envelope must be a color other than that provided for absentee ballot envelopes and must be prominently labeled "Provisional Ballot Envelope."

(d) Provisional ballots and related documentation shall be delivered to and securely maintained by the county auditor or municipal clerk in the same manner as required for other election materials under sections 204C.27 to 204C.28.

**Subd. 2. Counting provisional ballots.** (a) A voter who casts a provisional ballot in the polling place may personally appear before the county auditor or municipal clerk no later than seven calendar days following the election to prove that the voter's provisional ballot should be counted. The county auditor or municipal clerk must count a provisional ballot in the final certified results from the precinct if:

(1) the statewide voter registration system indicates that the voter is eligible to vote or, if challenged, the voter presents evidence of the voter's eligibility to vote; and

(2) the voter presents proof of identity and residence in the precinct in the manner permitted by section 200.035.

(b) If a voter does not appear before the county auditor or municipal clerk within seven calendar days following the election or otherwise does not satisfy the requirements of paragraph (a), or if the data listed on the items of identification presented by the voter does not match the data submitted by the voter on the provisional ballot envelope, the voter's provisional ballot must not be counted.

(c) The county auditor or municipal clerk must notify, in writing, any provisional voter who does not appear within seven calendar days of the election that the voter's provisional ballot was not counted because of the voter's failure to appear before the county auditor or municipal clerk within the time permitted by law to determine whether the provisional ballot should be counted.

Subd. 3. **Provisional ballots; reconciliation.** Prior to counting any provisional ballots in the final vote totals from a precinct, the county auditor must verify that the number of signatures appearing on the provisional ballot roster from that precinct is equal to or greater than the number of accepted provisional ballots submitted by voters in the precinct on election day. Any discrepancy must be resolved before the provisional ballots from the precinct may be counted. Excess provisional ballots must be randomly withdrawn in the manner required by section 204C.20, subdivision 2, after the period for a voter to appear to prove residence and identity has expired and the ballots to be counted have been separated from the provisional ballot envelopes.

Sec. 25. Minnesota Statutes 2010, section 204C.14, is amended to read:

**204C.14 UNLAWFUL VOTING; PENALTY.**

No individual shall intentionally:

(a) misrepresent the individual's identity in applying for a ballot, depositing a ballot in a ballot box, requesting a provisional ballot or requesting that a provisional ballot be counted, or attempting to vote by means of a voting machine or electronic voting system;

(b) vote more than once at the same election;

(c) put a ballot in a ballot box for any illegal purpose;

(d) give more than one ballot of the same kind and color to an election judge to be placed in a ballot box;

(e) aid, abet, counsel or procure another to go into any precinct for the purpose of voting in that precinct, knowing that the other individual is not eligible to vote in that precinct; or

(f) aid, abet, counsel or procure another to do any act in violation of this section.

A violation of this section is a felony.

Sec. 26. Minnesota Statutes 2010, section 204C.32, is amended to read:

**204C.32 CANVASS OF STATE PRIMARIES.**

Subdivision 1. **County canvass.** The county canvassing board shall meet at the county auditor's office on the ~~third~~ eighth day following the state primary. After taking the oath of office, the canvassing board shall publicly canvass the election returns delivered to the county auditor. The board shall complete the canvass on the ~~third~~ eighth day following the state primary and shall promptly prepare and file with the county auditor a report that states:

(a) the number of individuals voting at the election in the county, and in each precinct;

(b) the number of individuals registering to vote on election day and the number of individuals registered before election day in each precinct;

(c) for each major political party, the names of the candidates running for each partisan office and the number of votes received by each candidate in the county and in each precinct;

(d) the names of the candidates of each major political party who are nominated; and

(e) the number of votes received by each of the candidates for nonpartisan office in each precinct in the county and the names of the candidates nominated for nonpartisan office.

Upon completion of the canvass, the county auditor shall mail or deliver a notice of nomination to each nominee for county office voted for only in that county. The county auditor shall transmit one of the certified copies of the county canvassing board report for state and federal offices to the secretary of state by express mail or similar service immediately upon conclusion of the county canvass. The secretary of state shall mail a notice of nomination to each nominee for state or federal office.

Subd. 2. **State canvass.** The State Canvassing Board shall meet at the Secretary of State's Office ~~seven~~ 14 days after the state primary to canvass the certified copies of the county canvassing board reports received from the county auditors. Immediately after the canvassing board declares the results, the secretary of state shall certify the names of the nominees to the county auditors. The secretary of state shall mail to each nominee a notice of nomination.

Sec. 27. Minnesota Statutes 2010, section 204C.33, subdivision 1, is amended to read:

Subdivision 1. **County canvass.** The county canvassing board shall meet at the county auditor's office between the ~~third eighth~~ and ~~tenth~~ 14th days following the state general election. After taking the oath of office, the board shall promptly and publicly canvass the general election returns delivered to the county auditor. Upon completion of the canvass, the board shall promptly prepare and file with the county auditor a report which states:

(a) the number of individuals voting at the election in the county and in each precinct;

(b) the number of individuals registering to vote on election day and the number of individuals registered before election day in each precinct;

(c) the names of the candidates for each office and the number of votes received by each candidate in the county and in each precinct;

(d) the number of votes counted for and against a proposed change of county lines or county seat; and

(e) the number of votes counted for and against a constitutional amendment or other question in the county and in each precinct.

The result of write-in votes cast on the general election ballots must be compiled by the county auditor before the county canvass, except that write-in votes for a candidate for federal, state, or county office must not be counted unless the candidate has timely filed a request under section 204B.09, subdivision 3. The county auditor shall arrange for each municipality to provide an adequate number of election judges to perform this duty or the county auditor may appoint additional election judges for this purpose. The county auditor may open the envelopes or containers in which the voted ballots have been sealed in order to count and record the write-in votes and must reseal the voted ballots at the conclusion of this process. The county auditor must prepare a separate report of votes received by precinct for write-in candidates for federal, state, and county offices who have requested under section 204B.09 that votes for those candidates be tallied.

Upon completion of the canvass, the county canvassing board shall declare the candidate duly elected who received the highest number of votes for each county and state office voted for only within the county. The county auditor shall transmit a certified copy of the county canvassing board report for state and federal offices to the secretary of state by messenger, express mail, or similar service immediately upon conclusion of the county canvass.



Sec. 28. Minnesota Statutes 2010, section 204C.37, is amended to read:

**204C.37 COUNTY CANVASS; RETURN OF REPORTS TO SECRETARY OF STATE.**

A copy of the report required by sections 204C.32, subdivision 1, and 204C.33, subdivision 1, shall be certified under the official seal of the county auditor. The copy shall be enclosed in an envelope addressed to the secretary of state, with the county auditor's name and official address and the words "Election Returns" endorsed on the envelope. The copy of the canvassing board report and the precinct summary statements must be sent by express mail or delivered to the secretary of state. If the copy is not received by the secretary of state within ten days following ~~the applicable election~~ a primary election, or within 16 days following a general election, the secretary of state shall immediately notify the county auditor, who shall deliver another copy to the secretary of state by special messenger.

Sec. 29. Minnesota Statutes 2010, section 205.065, subdivision 5, is amended to read:

Subd. 5. **Results.** The municipal primary shall be conducted and the returns made in the manner provided for the state primary so far as practicable. On the ~~third~~ eight day after the primary, the governing body of the municipality shall canvass the returns, and the two candidates for each office who receive the highest number of votes, or a number of candidates equal to twice the number of individuals to be elected to the office, who receive the highest number of votes, shall be the nominees for the office named. Their names shall be certified to the municipal clerk who shall place them on the municipal general election ballot without partisan designation and without payment of an additional fee.

Sec. 30. Minnesota Statutes 2010, section 205.185, subdivision 3, is amended to read:

Subd. 3. **Canvass of returns, certificate of election, ballots, disposition.** (a) Between the ~~third~~ eight and ~~tenth~~ 14th days after an election, the governing body of a city conducting any election including a special municipal election, or the governing body of a town conducting the general election in November shall act as the canvassing board, canvass the returns, and declare the results of the election. The governing body of a town conducting the general election in March shall act as the canvassing board, canvass the returns, and declare the results of the election within ~~two~~ ten days after an election.

(b) After the time for contesting elections has passed, the municipal clerk shall issue a certificate of election to each successful candidate. In case of a contest, the certificate shall not be issued until the outcome of the contest has been determined by the proper court.

(c) In case of a tie vote, the canvassing board having jurisdiction over the municipality shall determine the result by lot. The clerk of the canvassing board shall certify the results of the election to the county auditor, and the clerk shall be the final custodian of the ballots and the returns of the election.

Sec. 31. Minnesota Statutes 2010, section 205A.03, subdivision 4, is amended to read:

Subd. 4. **Results.** The school district primary must be conducted and the returns made in the manner provided for the state primary as far as practicable. On the ~~third~~ eight day after the primary, the school board of the school district shall canvass the returns, and the two candidates for each specified school board position who receive the highest number of votes, or a number of candidates equal to twice the number of individuals to be elected to at-large school board positions who receive the highest number of votes, are the nominees for the office named. Their names must be certified to the school district clerk who shall place them on the school district general election ballot without partisan designation and without payment of an additional fee.

Sec. 32. Minnesota Statutes 2010, section 205A.10, subdivision 3, is amended to read:

Subd. 3. **Canvass of returns, certificate of election, ballots, disposition.** Between the ~~third~~ eighth and ~~tenth~~ 14th days after a school district election other than a recount of a special election conducted under section 126C.17, subdivision 9, or 475.59, the school board shall canvass the returns and declare the results of the election. After the time for contesting elections has passed, the school district clerk shall issue a certificate of election to each successful candidate. If there is a contest, the certificate of election to that office must not be issued until the outcome of the contest has been determined by the proper court. If there is a tie vote, the school board shall determine the result by lot. The clerk shall deliver the certificate of election to the successful candidate by personal service or certified mail. The successful candidate shall file an acceptance and oath of office in writing with the clerk within 30 days of the date of mailing or personal service. A person who fails to qualify prior to the time specified shall be deemed to have refused to serve, but that filing may be made at any time before action to fill the vacancy has been taken. The school district clerk shall certify the results of the election to the county auditor, and the clerk shall be the final custodian of the ballots and the returns of the election.

A school district canvassing board shall perform the duties of the school board according to the requirements of this subdivision for a recount of a special election conducted under section 126C.17, subdivision 9, or 475.59.

Sec. 33. **PUBLIC EDUCATION CAMPAIGN.**

The commissioner of administration shall contract for the production and implementation of a statewide public educational campaign related to the voter identification requirements of this article. The campaign must inform voters of the requirements for identification when voting, methods of securing sufficient identification, including securing a free voter identification card if necessary, and the process for provisional balloting for voters unable to meet the identification requirements on election day. The secretary of state may consult with the vendor in coordinating material related to the campaign, but the secretary, the secretary's staff, and any other documents or materials promoting the office of the secretary of state may not appear visually or audibly in any advertising or promotional items disseminated by the vendor as part of the public education campaign.

\$......is appropriated in fiscal year 2012 and \$......is appropriated in fiscal year 2013 from the general fund to the commissioner of administration for purposes of implementing this section.

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

Sec. 34. **APPROPRIATION.**

(a) \$709,000 is appropriated in fiscal year 2013 from the general fund to the state-subsidized identification card account for purposes of providing state-subsidized identification cards to individuals qualifying under Minnesota Statutes, section 171.07, subdivision 3b.

(b) \$......is appropriated in fiscal year 2012 to the secretary of state from the Help America Vote Act account and \$......is appropriated in fiscal year 2013 to the secretary of state from the general fund for purposes of implementing the requirements of this act.

(c) \$8,300,000 is appropriated from the general fund to the secretary of state in fiscal year 2012 for the reimbursement of costs incurred by counties, cities, and townships to implement the requirements of this act. The secretary of state shall conduct a cost survey to determine the appropriate reimbursement for each unit of government. Any amount of this appropriation remaining after all counties, cities, and townships have been reimbursed shall be returned to the general fund.

Sec. 35. **EFFECTIVE DATE.**

Except where otherwise provided, this article is effective June 1, 2012, and applies to elections held on or after that date.

ARTICLE 2  
ELECTION ADMINISTRATION AND INTEGRITY

Section 1. Minnesota Statutes 2010, section 135A.17, subdivision 2, is amended to read:

Subd. 2. **Residential housing list.** All postsecondary institutions that enroll students accepting state or federal financial aid may prepare a current list of students enrolled in the institution and residing in the institution's housing or within ten miles of the institution's campus. The list shall include each student's current address. The list shall be certified and sent to the appropriate county auditor or auditors, in an electronic format approved by the secretary of state, for use in election day registration as provided under section 201.061, subdivision 3. A residential housing list provided under this subdivision may not be used or disseminated by a county auditor or the secretary of state for any other purpose.

Sec. 2. Minnesota Statutes 2010, section 201.021, is amended to read:

**201.021 PERMANENT REGISTRATION SYSTEM.**

A permanent system of voter registration by county is established, with a single, official, centralized, interactive computerized statewide voter registration list defined, maintained, and administered at the state level that contains the name and registration information of every legally registered voter in the state, and assigns a unique identifier to each legally registered voter in the state. The unique identifier shall be permanently assigned to the voter and may not be changed or reassigned to another voter. The interactive computerized statewide voter registration list constitutes the official list of every legally registered voter in the state. The county auditor shall be chief registrar of voters and the chief custodian of the official registration records in each county. The secretary of state is responsible for defining, maintaining, and administering the centralized system.

Sec. 3. Minnesota Statutes 2010, section 201.022, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The secretary of state shall maintain a statewide voter registration system to facilitate voter registration and to provide a central database containing voter registration information from around the state. The system must be accessible to the county auditor of each county in the state. The system must also:

- (1) provide for voters to submit their voter registration applications to any county auditor, the secretary of state, or the Department of Public Safety;
- (2) provide for the definition, establishment, and maintenance of a central database for all voter registration information;
- (3) provide for entering data into the statewide registration system;
- (4) provide for electronic transfer of completed voter registration applications from the Department of Public Safety to the secretary of state or the county auditor;
- (5) assign a unique, permanent identifier to each legally registered voter in the state;
- (6) provide for the acceptance of the Minnesota driver's license number, Minnesota state identification number, and last four digits of the Social Security number for each voter record;
- (7) coordinate with other agency databases within the state;
- (8) allow county auditors and the secretary of state to add or modify information in the system to provide for accurate and up-to-date records;

(9) allow county auditors, municipal and school district clerks, and the secretary of state to have electronic access to the statewide registration system for review and search capabilities;

(10) provide security and protection of all information in the statewide registration system and ensure that unauthorized access is not allowed;

(11) provide access to municipal clerks to use the system;

(12) provide a system for each county to identify the precinct to which a voter should be assigned for voting purposes;

(13) provide daily reports accessible by county auditors on the driver's license numbers, state identification numbers, or last four digits of the Social Security numbers submitted on voter registration applications that have been verified as accurate by the secretary of state; ~~and~~

(14) provide reports on the number of absentee ballots transmitted to and returned and cast by voters under section 203B.16; and

(15) provide reports on individuals who are not registered and believed to be ineligible to vote, to the extent permitted by federal law.

The appropriate state or local official shall provide security measures to prevent unauthorized access to the computerized list established under section 201.021.

Sec. 4. Minnesota Statutes 2010, section 201.061, subdivision 4, is amended to read:

Subd. 4. **Registration by election judges; procedures.** Registration at the polling place on election day shall be conducted by the election judges. Before registering an individual to vote at the polling place, the election judge must review any list of absentee election day registrants provided by the county auditor or municipal clerk to see if the person has already voted by absentee ballot. If the person's name appears on the list, the election judge must not allow the individual to register or to vote in the polling place. The election judges shall also review the list of individuals believed to be ineligible to vote using the electronic roster, or a paper list provided by the county auditor or municipal clerk. The election judge who registers an individual at the polling place on election day shall not handle that voter's ballots at any time prior to the opening of the ballot box after the voting ends. Registration applications and forms for oaths shall be available at each polling place. If an individual who registers on election day proves residence by oath of a registered voter, the form containing the oath shall be attached to the individual's registration application. Registration applications completed on election day shall be forwarded to the county auditor who shall add the name of each voter to the registration system unless the information forwarded is substantially deficient. A county auditor who finds an election day registration substantially deficient shall give written notice to the individual whose registration is found deficient. An election day registration shall not be found deficient solely because the individual who provided proof of residence was ineligible to do so.

Sec. 5. Minnesota Statutes 2010, section 201.061, subdivision 7, is amended to read:

Subd. 7. **Record of attempted registrations.** The election judge responsible for election day registration shall ~~attempt to~~ keep a record of the number of individuals who attempt to register on election day but who cannot provide proof of residence as required by this section. The record shall be forwarded to the county auditor with the election returns for that precinct.

Sec. 6. Minnesota Statutes 2010, section 201.071, subdivision 3, is amended to read:

Subd. 3. **Deficient registration.** No voter registration application is deficient if it contains the voter's name, address, date of birth, current and valid Minnesota driver's license number or Minnesota state identification number, or if the voter has no current and valid Minnesota driver's license or Minnesota state identification number, the last four digits of the voter's Social Security number, if the voter has been issued a Social Security number, prior registration, if any, and signature. The absence of a zip code number does not cause the registration to be deficient. ~~Failure to check a box on an application form that a voter has certified to be true does not cause the registration to be deficient.~~ The election judges shall request an individual to correct a voter registration application if it is deficient or illegible. No eligible voter may be prevented from voting unless the voter's registration application is deficient or the voter is duly and successfully challenged in accordance with section 201.195 or 204C.12.

A voter registration application accepted prior to August 1, 1983, is not deficient for lack of date of birth. The county or municipality ~~may shall~~ attempt to obtain the date of birth for a voter registration application accepted prior to August 1, 1983, by a request to the voter ~~at any time except at the polling place.~~ ~~Failure by the voter to comply with this request does not make the registration deficient.~~

A voter registration application accepted before January 1, 2004, is not deficient for lack of a valid Minnesota driver's license or state identification number, voter identification card number, or the last four digits of a Social Security number. A voter registration application submitted by a voter who does not have a Minnesota driver's license or state identification number, voter identification card number, or a Social Security number, is not deficient for lack of any of these numbers.

Sec. 7. Minnesota Statutes 2010, section 201.081, is amended to read:

#### **201.081 REGISTRATION FILES.**

The statewide registration system is the official record of registered voters. The voter registration applications and the terminal providing access to the statewide registration system must be under the control of the county auditor or the public official to whom the county auditor has delegated the responsibility for maintaining voter registration records. The voter registration applications and terminals providing access to the statewide registration system must not be removed from the control of the county auditor except as provided in this section. The county auditor may make photographic copies of voter registration applications in the manner provided by section 138.17.

A properly completed voter registration application that has been submitted to the secretary of state or a county auditor must be maintained by the secretary of state or the county auditor for at least ~~22~~ 36 months after the date that the information on the application is entered into the database of the statewide registration system. The secretary of state or the county auditor may dispose of the applications after retention for ~~22~~ 36 months in the manner provided by section 138.17.

Sec. 8. Minnesota Statutes 2010, section 201.121, subdivision 1, is amended to read:

Subdivision 1. **Entry of registration information.** (a) At the time a voter registration application is properly completed, submitted, and received in accordance with sections 201.061 and 201.071, the county auditor shall enter the information contained on it into the statewide registration system. Voter registration applications completed before election day must be entered into the statewide registration system within ten days after they have been submitted to the county auditor. Voter registration applications completed on election day must be entered into the statewide registration system within 42 days after the election, ~~unless the county auditor notifies the secretary of state before the 42-day deadline has expired that the deadline will not be met.~~

(b) Upon receiving a completed voter registration application, the secretary of state may electronically transmit the information on the application to the appropriate county auditor as soon as possible for review by the county auditor before final entry into the statewide registration system. The secretary of state may mail the voter registration application to the county auditor.

(c) Within ten days after the county auditor has entered information from a voter registration application into the statewide registration system, the secretary of state shall compare the voter's name, date of birth, and driver's license number, state identification number, voter identification card number, or the last four digits of the Social Security number with the same information contained in the Department of Public Safety database.

(d) The secretary of state shall provide a report to the county auditor on a weekly basis that includes a list of voters whose name, date of birth, or identification number have been compared with the same information in the Department of Public Safety database and cannot be verified as provided in this subdivision. The report must list separately those voters who have submitted a voter registration application by mail and have not voted in a federal election in this state.

(e) The county auditor shall compile a list of voters for whom the county auditor and the secretary of state are unable to conclude that information on the voter registration application and the corresponding information in the Department of Public Safety database relate to the same person.

(f) The county auditor shall send a notice of incomplete registration to any voter whose name appears on the list and change the voter's status to "incomplete." A voter who receives a notice of incomplete registration from the county auditor may either provide the information required to complete the registration at least 21 days before the next election or at the polling place on election day.

Sec. 9. Minnesota Statutes 2010, section 201.121, subdivision 3, is amended to read:

Subd. 3. **Postelection sampling.** Within ten days after an election, the county auditor shall send the notice required by subdivision 2 to a random sampling of the individuals registered on election day. The random sampling shall be determined in accordance with the rules of the secretary of state. As soon as practicable after the election, but no later than January 1 of the following year, the county auditor shall mail the notice required by subdivision 2 to all other individuals registered on election day. If a notice is returned as not deliverable, the county auditor shall attempt to determine the reason for the return. A county auditor who does not receive or obtain satisfactory proof of an individual's eligibility to vote shall immediately notify the county attorney of all of the relevant information and the secretary of state of the numbers by precinct. By March 1 of every odd-numbered year, the secretary of state shall report to the chair and ranking minority members of the legislative committees with jurisdiction over elections the number of notices reported under this subdivision to the secretary of state for the previous state general election by county and precinct.

Sec. 10. Minnesota Statutes 2010, section 201.171, is amended to read:

**201.171 POSTING VOTING HISTORY; FAILURE TO VOTE; REGISTRATION REMOVED.**

Within six weeks after every election, the county auditor shall post the voting history for every person who voted in the election. After the close of the calendar year, the secretary of state shall determine if any registrants have not voted during the preceding four years. The secretary of state shall perform list maintenance by changing the status of those registrants to "inactive" in the statewide registration system. The list maintenance performed must be conducted in a manner that ensures that the name of each registered voter appears in the official list of eligible voters in the statewide registration system. A voter must not be removed from the official list of eligible voters unless the voter is not eligible or is not registered to vote. List maintenance must include procedures for eliminating duplicate names from the official list of eligible voters.

The secretary of state shall also prepare a report to the county auditor containing the names of all registrants whose status was changed to "inactive."

Registrants whose status was changed to "inactive" must register in the manner specified in section 201.054 before voting in any primary, special primary, general, school district, or special election, as required by section 201.018.

Although not counted in an election, a late or rejected absentee or mail ballot must be considered a vote for the purpose of continuing registration under this section, but is not considered voting history ~~for the purpose of public information lists available under section 201.091, subdivision 4.~~

Sec. 11. **[201.197] CHALLENGED ELIGIBILITY LIST.**

(a) The secretary of state shall maintain an electronic database of individuals not registered and who are believed to be ineligible to vote under section 201.014, subdivision 2. The database may be maintained as a module of the statewide voter registration system, if permitted by federal law, or maintained as a separate database, and at a minimum must include an individual's name, address of residence, date of birth, the reason the individual is believed to be ineligible to vote and, if available, the individual's driver's license or state identification card number, or the last four digits of the individual's Social Security number. Entries in the database shall be compiled using data submitted to the secretary of state under this chapter, and other sources as the secretary may determine appropriate.

(b) An elections official processing a voter registration application must verify whether the individual listed on the application is included in the database of individuals known to be ineligible to vote. If the individual is listed in the database, the voter registration application may be accepted, but the voter's status must be listed as "challenged." An election judge processing a voter registration application submitted by a voter in a polling place on election day must verify the application using the electronic roster, or if the polling place does not have an electronic roster, using a paper list provided by the county auditor. A paper list used for verification in a polling place may be limited to only those individuals known to be residents of the county in which the precinct is located.

Sec. 12. Minnesota Statutes 2010, section 201.221, subdivision 3, is amended to read:

Subd. 3. **Procedures for polling place rosters.** The secretary of state shall prescribe the form of polling place rosters that include the voter's name, address, date of birth, school district number, and space for the voter's signature. The secretary of state may prescribe additional election-related information to be placed on the polling place rosters on an experimental basis for one state primary and general election cycle; the same information may not be placed on the polling place roster for a second state primary and general election cycle unless specified in this subdivision. The polling place roster must be used to indicate whether the voter has voted in a given election. The secretary of state shall prescribe procedures for transporting the polling place rosters to the election judges for use on election day. The secretary of state shall prescribe the form for a county or municipality to request the date of birth from currently registered voters. The county or municipality shall not request the date of birth from currently registered voters by any communication other than the prescribed form and the form must clearly indicate that a currently registered voter does not lose registration status by failing to provide the date of birth. In accordance with section 204B.40, the county auditor shall retain the prescribed polling place rosters used on the date of election for ~~22~~ 36 months following the election.

Sec. 13. Minnesota Statutes 2010, section 203B.04, subdivision 1, is amended to read:

Subdivision 1. **Application procedures.** (a) Except as otherwise allowed by subdivision 2 or by section 203B.11, subdivision 4, an application for absentee ballots for any election may be submitted at any time not less than one day before the day of that election. The county auditor shall prepare absentee ballot application forms in the format provided by the secretary of state and shall furnish them to any person on request. By January 1 of each even-numbered year, the secretary of state shall make the forms to be used available to auditors through electronic means. An application submitted pursuant to this subdivision shall be in writing and shall be submitted to:

(1) the county auditor of the county where the applicant maintains residence; or

(2) the municipal clerk of the municipality, or school district if applicable, where the applicant maintains residence.

(b) An application shall be approved if it is timely received, signed and dated by the applicant, and contains:

(1) the applicant's name and residence and mailing addresses;

(2) the applicant's date of birth, and at least one of the following;

(3) the applicant's Minnesota driver's license number, Minnesota state identification card number, or Minnesota voter identification card number; and

(4) the last four digits of the applicant's Social Security number or a statement that the applicant does not have a Social Security number.

~~(1) the applicant's Minnesota driver's license number;~~

~~(2) Minnesota state identification card number;~~

~~(3) the last four digits of the applicant's Social Security number; or~~

~~(4) a statement that the applicant does not have any of these numbers.~~

To be approved, the application must state that the applicant is eligible to vote by absentee ballot for one of the reasons specified in section 203B.02, and must contain an oath that the information contained on the form is accurate, that the applicant is applying on the applicant's own behalf, and that the applicant is signing the form under penalty of perjury.

Prior to approval, the county auditor or municipal clerk must verify that the Minnesota driver's license, state identification card number, or voter identification card number submitted by an applicant is valid and assigned to that applicant. An application that contains a driver's license or identification card number that is invalid or not assigned to the applicant must be rejected. The county auditor or municipal clerk must also verify that the applicant does not appear on any lists of known ineligible voters maintained by the county auditor or municipal clerk, or provided to the county auditor or municipal clerk by the secretary of state. When verifying eligibility, the county auditor or municipal clerk must use the same standards and process as used for individuals appearing in the polling place on election day, except that an applicant is not required to appear in person or present photo identification meeting the standards of section 204C.10, subdivision 2.

(c) An applicant's full date of birth, Minnesota driver's license or state identification, or voter identification card number, and the last four digits of the applicant's Social Security number must not be made available for public inspection. An application may be submitted to the county auditor or municipal clerk by an electronic facsimile device. An application mailed or returned in person to the county auditor or municipal clerk on behalf of a voter by a person other than the voter must be deposited in the mail or returned in person to the county auditor or municipal clerk within ten days after it has been dated by the voter and no later than six days before the election. The absentee ballot applications or a list of persons applying for an absentee ballot may not be made available for public inspection until the close of voting on election day.

An application under this subdivision may contain an application under subdivision 5 to automatically receive an absentee ballot application.



Sec. 14. Minnesota Statutes 2010, section 203B.04, subdivision 2, is amended to read:

Subd. 2. **Health care patient.** An eligible voter who on the day before an election becomes a resident or patient in a health care facility or hospital located in the municipality in which the eligible voter maintains residence may apply for absentee ballots on election day if the voter:

~~(a)~~ requests an application form by telephone from the municipal clerk not later than 5:00 p.m. on the day before election day; ~~or~~

~~(b)~~ submits an absentee ballot application to the election judges engaged in delivering absentee ballots pursuant to section 203B.11.

Sec. 15. Minnesota Statutes 2010, section 203B.06, subdivision 5, is amended to read:

Subd. 5. **Preservation of records.** An application for absentee ballots shall be dated by the county auditor or municipal clerk when it is received and shall be initialed when absentee ballots are mailed or delivered to the applicant. All applications shall be preserved by the county auditor or municipal clerk for ~~22~~ 36 months.

Sec. 16. Minnesota Statutes 2010, section 203B.121, subdivision 1, is amended to read:

Subdivision 1. **Establishment; applicable laws.** (a) The governing body of each county, municipality, and school district with responsibility to accept and reject absentee ballots must, by ordinance or resolution, establish a ballot board. The board must consist of a sufficient number of election judges trained in the handling of absentee ballots and appointed as provided in sections 204B.19 to 204B.22. The board may include staff trained as election judges.

(b) Each jurisdiction must pay a reasonable compensation to each member of that jurisdiction's ballot board for services rendered during an election.

(c) A ballot board may only meet to perform its duties under this chapter during the period in which completed absentee ballots are accepted for an election. The time and place of each meeting must be scheduled, announced, and posted on the Web site of the governing body of the county, municipality, or school district at least 14 days prior to convening the first meeting of the ballot board for an election. If the governing body of the county, municipality, or school district does not have a Web site, the time and place of each meeting must be posted, in writing, on the principle bulletin board of the body. Meetings of the ballot board must be convened at the same time and in the same location. The ballot board must also meet on any day during which the county or municipal offices are open for the purposes of conducting election business prior to an election. A ballot board may not meet except during regularly scheduled meetings announced and posted as required by this paragraph.

(d) Except as otherwise provided by this section, all provisions of the Minnesota Election Law apply to a ballot board.

Sec. 17. Minnesota Statutes 2010, section 204B.40, is amended to read:

**204B.40 BALLOTS; ELECTION RECORDS AND OTHER MATERIALS; DISPOSITION; INSPECTION OF BALLOTS.**

The county auditors, municipal clerks, and school district clerks shall retain all election materials returned to them after any election for at least ~~22~~ 36 months from the date of that election. All election materials involved in a contested election must be retained for ~~22~~ 36 months or until the contest has been finally determined, whichever is later. Abstracts filed by canvassing boards shall be retained permanently by any officer with whom those abstracts are filed. Election materials no longer required to be retained pursuant to this section shall be disposed of in accordance with sections 138.163 to 138.21. Sealed envelopes containing voted ballots must be retained unopened, except as provided in this section, in a secure location. The county auditor, municipal clerk, or school district clerk shall not permit any voted ballots to be tampered with or defaced.

After the time for filing a notice of contest for an election has passed, the secretary of state may, for the purpose of monitoring and evaluating election procedures: (1) open the sealed ballot envelopes and inspect the ballots for that election maintained by the county auditors, municipal clerks, or school district clerks; (2) inspect the polling place rosters and completed voter registration applications; or (3) examine other forms required in the Minnesota election laws for use in the polling place. No inspected ballot or document may be marked or identified in any manner. After inspection, all ballots must be returned to the ballot envelope and the ballot envelope must be securely resealed. Any other election materials inspected or examined must be secured or resealed. ~~No polling place roster may be inspected until the voting history for that precinct has been posted. No voter registration application may be inspected until the information on it has been entered into the statewide registration system.~~

Sec. 18. Minnesota Statutes 2010, section 204C.20, subdivision 1, is amended to read:

Subdivision 1. **Determination of proper number.** The election judges shall determine the number of ballots to be counted by ~~adding the number of return envelopes from accepted absentee ballots to the number of signed voter's certificates, or to the number of names entered in the election register~~ counting the number of original voter signatures contained in the polling place roster, or on voter's receipts generated from an electronic roster. The election judges may not count the number of voter receipts collected in the precinct as a substitute for counting original voter signatures unless the voter receipts contain the name, voter identification number, and signature of the voter to whom the receipt was issued. The election judges shall then remove all the ballots from the box. Without considering how the ballots are marked, the election judges shall ascertain that each ballot is separate and shall count them to determine whether the number of ballots in the box corresponds with the number of ballots to be counted.

Sec. 19. Minnesota Statutes 2010, section 204C.20, subdivision 2, is amended to read:

Subd. 2. **Excess ballots.** If two or more ballots are found folded together like a single ballot, the election judges shall lay them aside until all the ballots in the box have been counted. If it is evident from the number of ballots to be counted that the ballots folded together were cast by one voter, the election judges shall preserve but not count them. If the number of ballots in one box exceeds the number to be counted, the election judges shall examine all the ballots in the box to ascertain that all are properly marked with the initials of the election judges. If any ballots are not properly marked with the initials of the election judges, the election judges shall preserve but not count them; however, if the number of ballots does not exceed the number to be counted, the absence of either or both sets of initials of the election judges does not, by itself, disqualify the vote from being counted ~~and must not~~ but may be the basis of a challenge in a recount. If there is still an excess of properly marked ballots, the election judges shall replace them in the box, and one election judge, without looking, shall withdraw from the box a number of ballots equal to the excess. The withdrawn ballots shall not be counted but shall be preserved as provided in subdivision 4.

Sec. 20. Minnesota Statutes 2010, section 204C.20, subdivision 4, is amended to read:

Subd. 4. **Ballots not counted; disposition.** When the final count of ballots agrees with the number of ballots to be counted, those ballots not counted shall be clearly marked "excess" on the front of the ballot and attached to a certificate made by the election judges which states the number of ballots not counted and why the ballots they were not counted. The certificate and uncounted ballots shall be sealed in a separate envelope ~~and returned to~~ clearly marked "excess ballots." The election judges shall sign their names over the envelope seal and return the ballots to the county auditor or municipal or school district clerk from whom they were received. Tabulation of vote totals from a precinct where excess ballots were removed from the ballot box shall be completed by the canvassing board responsible for certifying the election results from that precinct.

Sec. 21. Minnesota Statutes 2010, section 204C.20, is amended by adding a subdivision to read:

Subd. 5. **Applicability.** The requirements of this section apply regardless of the voting system or method of tabulation used in a precinct.

Sec. 22. Minnesota Statutes 2010, section 204C.23, is amended to read:

**204C.23 SPOILED, DEFECTIVE, AND DUPLICATE BALLOTS.**

(a) A ballot that is spoiled by a voter must be clearly marked "spoiled" by an election judge, placed in an envelope designated for spoiled ballots from the precinct, sealed, and returned as required by section 204C.25.

(b) A ballot that is defective to the extent that the election judges are unable to determine the voter's intent shall be marked on the back "Defective" if it is totally defective or "Defective as to .....", naming the office or question if it is defective only in part. Defective ballots must be placed in an envelope designated for defective ballots from the precinct, sealed, and returned as required by section 204C.25.

(c) A damaged or defective ballot that requires duplication must be handled as required by section 206.86, subdivision 5.

Sec. 23. Minnesota Statutes 2010, section 204C.24, subdivision 1, is amended to read:

Subdivision 1. **Information requirements.** Precinct summary statements shall be submitted by the election judges in every precinct. For all elections, the election judges shall complete three or more copies of the summary statements, and each copy shall contain the following information for each kind of ballot:

~~(a)~~ (1) the number of ballots delivered to the precinct as adjusted by the actual count made by the election judges, the number of unofficial ballots made, and the number of absentee ballots delivered to the precinct;

~~(b)~~ (2) the number of votes each candidate received or the number of yes and no votes on each question, the number of undervotes, the number of overvotes, and the number of defective ballots with respect to each office or question;

~~(c)~~ (3) the number of spoiled ballots, the number of duplicate ballots made, the number of absentee ballots rejected, and the number of unused ballots, presuming that the total count provided on each package of unopened prepackaged ballots is correct;

(4) the number of ballots cast;

~~(d)~~ (5) the number of ~~individuals who voted at the election in the precinct~~ voter signatures contained on the polling place roster or on voter receipts generated by an electronic roster, which must equal the total number of ballots cast in the precinct, as required by sections 204C.20 and 206.86, subdivision 1;

(6) the number of excess ballots removed by the election judges, as required by section 204C.20;

~~(e)~~ (7) the number of voters registering on election day in that precinct; and

~~(f)~~ (8) the signatures of the election judges who counted the ballots certifying that all of the ballots cast were properly piled, checked, and counted; and that the numbers entered by the election judges on the summary statements correctly show the number of votes cast for each candidate and for and against each question.

At least two copies of the summary statement must be prepared for elections not held on the same day as the state elections.

Sec. 24. Minnesota Statutes 2010, section 206.86, subdivision 1, is amended to read:

Subdivision 1. ~~At the voting location~~ **Precinct polling locations; duties; reconciliation.** In precincts where an electronic voting system is used, as soon as the polls are closed the election judges shall secure the voting systems against further voting. They shall then open the ballot box and count the number of ~~ballot cards~~ ballots or envelopes containing ~~ballot cards~~ ballots that have been cast to determine that the number of ~~ballot cards~~ ballots does not exceed the number of ~~voters shown on original voter signatures contained in the election register or registration file~~ polling place roster or on voter receipts generated from an electronic roster. The election judges may not count the number of voter receipts collected in the precinct as a substitute for counting original voter signatures unless the voter receipts contain the name, voter identification number, and signature of the voter to whom the receipt was issued. If there is an excess, the judges shall ~~seal the ballots in a ballot container and transport the container to the county auditor or municipal clerk who shall process the ballots in the same manner as paper ballots are processed in section 204C.20, subdivision 2, then enter the ballots into the ballot counter~~ proceed in the manner required for excess ballots under section 204C.20, subdivisions 2 to 4. The total number of voters must be entered on the forms provided. The judges shall next count the write-in votes and enter the number of those votes on forms provided for the purpose.

Sec. 25. Minnesota Statutes 2010, section 206.86, subdivision 2, is amended to read:

Subd. 2. **Transportation of ~~ballot cards~~ ballots.** The judges shall place all voted ballot ~~cards~~, excess ballots, defective ballots, and damaged ballots in the container provided for transporting them to the counting center. The container must be sealed and delivered immediately to the counting center by two judges who are not of the same major political party. The judges shall also deliver to the counting center in a suitable container the unused ~~ballot cards~~ ballots, the spoiled ballot envelope, and the ballot envelopes issued to the voters and deposited during the day in the ballot box.

Sec. 26. Minnesota Statutes 2010, section 209.021, subdivision 1, is amended to read:

Subdivision 1. **Manner; time; contents.** Service of a notice of contest must be made in the same manner as the service of summons in civil actions. The notice of contest must specify the grounds on which the contest will be made. The contestant shall serve notice of the contest on the parties enumerated in this section. Notice must be served and filed within five days after the canvass is completed in the case of a primary or special primary or within seven days after the canvass is completed in the case of a special or general election; except that:

(1) if a contest is based on a deliberate, serious, and material violation of the election laws which was discovered from the statements of receipts and disbursements required to be filed by candidates and committees, the action may be commenced and the notice served and filed within ten days after the filing of the statements in the case of a general or special election or within five days after the filing of the statements in the case of a primary or special primary;

(2) if a notice of contest questions only which party received the highest number of votes legally cast at the election, a contestee who loses may serve and file a notice of contest on any other ground during the three days following expiration of the time for appealing the decision on the vote count; and

(3) if data or documents necessary to determine grounds for a contest, including but not limited to lists of the names of every voter who participated in an election, are not available to a candidate or the general public prior to the close of the period for filing a notice of contest under this section due to nonfeasance, malfeasance, or failure to perform duties within the time required by statute on the part of the secretary of state, a county auditor, or other state, county, or municipal election official, a notice of contest may be served and filed within seven days after the data or documents become available for inspection by the candidates and the general public.

Sec. 27. Minnesota Statutes 2010, section 209.06, subdivision 1, is amended to read:

Subdivision 1. **Appointment of inspectors.** After a contest has been instituted, either party may have ~~the ballots~~ all materials relating to the election, including, but not limited to, polling place rosters, voter registration applications, accepted absentee ballot envelopes, rejected absentee ballot envelopes, applications for absentee ballots, precinct summary statements, printouts from voting machines, and precinct incident logs, inspected before preparing for trial. The party requesting an inspection shall file with the district court where the contest is brought a verified petition, stating that the case cannot properly be prepared for trial without an inspection of the ballots and other election materials and designating the precincts in which an inspection is desired. A judge of the court in which the contest is pending shall then appoint as many sets of three inspectors for a contest of any office or question as are needed to count and inspect the ballots expeditiously. One inspector must be selected by each of the parties to the contest and a third must be chosen by those two inspectors. If either party neglects or refuses to name an inspector, the judge shall appoint the inspector. The compensation of inspectors is the same as for referees, unless otherwise stipulated.

Sec. 28. Minnesota Statutes 2010, section 211B.11, subdivision 1, is amended to read:

Subdivision 1. **Soliciting near polling places.** A person may not display campaign material, post signs, ask, solicit, or in any manner try to induce or persuade a voter within a polling place or within 100 feet of the building in which a polling place is situated, or anywhere on the public property on which a polling place is situated, on primary or election day to vote for or refrain from voting for a candidate or ballot question. A person may not provide political badges, political buttons, or other political insignia to be worn at or about the polling place on the day of a primary or election. A political badge, political button, or other political insignia may not be worn at or about the polling place on primary or election day if it is designed to influence voting for or against a particular candidate, political party, or question on the ballot at the election. This section applies to areas established by the county auditor or municipal clerk for absentee voting as provided in chapter 203B.

The secretary of state, county auditor, municipal clerk, or school district clerk may provide stickers which contain the words "I VOTED" and nothing more. Election judges may offer a sticker of this type to each voter who has signed the polling place roster or a voter's receipt.

Sec. 29. **PROPOSED LEGISLATION.**

By January 15, 2012, the secretary of state must report to the legislature proposed legislation to amend matters currently contained in administrative rules as necessary to implement or make specific this act. To the greatest extent practical, this proposed legislation must propose codifying into law matters that otherwise would be enacted through the administrative rulemaking process.

To the extent that codifying matters into law is not practical, the proposed legislation must direct, by law, specific changes to be made in administrative rules so that no interpretation of the law by the secretary of state would be necessary, and use of the good cause rulemaking exemption in Minnesota Statutes, section 14.388 would be appropriate if the legislature authorizes use of this process.

Sec. 30. **REPEALER.**

Minnesota Statutes 2010, sections 203B.04, subdivision 3, is repealed.

### ARTICLE 3 ELECTRONIC ROSTERS

Section 1. Minnesota Statutes 2010, section 200.02, is amended by adding a subdivision to read:

Subd. 12a. **Polling place roster.** "Polling place roster" means the official lists used to record a voter's appearance in a polling place on election day, including the list of registered voters in the precinct, and the list of voters registering on election day. A polling place roster may be in a printed or electronic format, as permitted by section 201.225.

Sec. 2. Minnesota Statutes 2010, section 201.221, subdivision 3, is amended to read:

Subd. 3. **Procedures for polling place rosters.** The secretary of state shall prescribe the form of polling place rosters that include the voter's name, address, date of birth, school district number, and space for the voter's signature. A polling place roster provided in an electronic form must allow for a printed voter's receipt that meets the standards provided in section 201.225, subdivision 2. The secretary of state may prescribe additional election-related information to be placed on the polling place rosters on an experimental basis for one state primary and general election cycle; the same information may not be placed on the polling place roster for a second state primary and general election cycle unless specified in this subdivision. The polling place roster must be used to indicate whether the voter has voted in a given election. The secretary of state shall prescribe procedures for transporting the polling place rosters to the election judges for use on election day. The secretary of state shall prescribe the form for a county or municipality to request the date of birth from currently registered voters. The county or municipality shall not request the date of birth from currently registered voters by any communication other than the prescribed form and the form must clearly indicate that a currently registered voter does not lose registration status by failing to provide the date of birth. In accordance with section 204B.40, the county auditor shall retain the prescribed polling place rosters used on the date of election for 22 months following the election.

Sec. 3. **[201.225] ELECTRONIC ROSTER; STANDARDS.**

Subdivision 1. Certification of system. (a) A precinct may have a secure network of two or more computer systems to serve as the precinct's electronic polling place roster.

(b) Precincts may not use an electronic roster until the secretary of state has certified that the system design and operational procedures are sufficient to prevent any voter from voting more than once at an election, and to prevent access to the system by unauthorized individuals.

Subd. 2. **Minimum standards for electronic rosters.** At a minimum, an electronic roster must:

(1) be preloaded with data from the statewide voter registration system, including data on individuals known to be ineligible to vote;

(2) permit all voting information processed by any computer in a precinct to be immediately accessible to all other computers in the precinct and to be transferred to the statewide voter registration system on election night or no later than one week after the election;

(3) provide for a printed voter's receipt, containing the voter's name, address of residence, date of birth, voter identification number, the oath required by section 204C.10, and a space for the voter's original signature;

(4) immediately alert the election judge if the electronic roster indicates that a voter has already voted at the election, is ineligible to vote, does not reside in the precinct, or the voter's registration status is challenged;

(5) automatically accept and input data from a scanned Minnesota driver's license or identification card and match the data to an existing voter registration record, and permit manual input of voter data, if necessary; and

(6) perform any other functions required for the efficient and secure administration of an election, as required by law.

Sec. 4. Minnesota Statutes 2010, section 204B.14, subdivision 2, is amended to read:

Subd. 2. **Separate precincts; combined polling place.** (a) The following shall constitute at least one election precinct:

(1) each city ward; and

(2) each town and each statutory city.

(b) A single, accessible, combined polling place may be established no later than May 1 of any year:

(1) for any city of the third or fourth class, any town, or any city having territory in more than one county, in which all the voters of the city or town shall cast their ballots;

(2) for two contiguous precincts in the same municipality that have a combined total of fewer than 500 registered voters;

(3) for up to four contiguous municipalities located entirely outside the metropolitan area, as defined by section 200.02, subdivision 24, that are contained in the same county; or

(4) for noncontiguous precincts located in one or more counties.

A copy of the ordinance or resolution establishing a combined polling place must be filed with the county auditor within 30 days after approval by the governing body. A polling place combined under clause (3) must be approved by the governing body of each participating municipality. A polling place combined under clause (4) must be approved by the governing body of each participating municipality and the secretary of state and may be located outside any of the noncontiguous precincts. A municipality withdrawing from participation in a combined polling place must do so by filing a resolution of withdrawal with the county auditor no later than April 1 of any year.

The secretary of state shall provide a separate polling place roster for each precinct served by the combined polling place unless that precinct uses an electronic roster. A single set of election judges may be appointed to serve at a combined polling place. The number of election judges required must be based on the total number of persons voting at the last similar election in all precincts to be voting at the combined polling place. Separate ballot boxes must be provided for the ballots from each precinct. The results of the election must be reported separately for each precinct served by the combined polling place, except in a polling place established under clause (2) where one of the precincts has fewer than ten registered voters, in which case the results of that precinct must be reported in the manner specified by the secretary of state.

Sec. 5. Minnesota Statutes 2010, section 204C.10, is amended to read:

**204C.10 PERMANENT REGISTRATION; VERIFICATION OF REGISTRATION.**

(a) An individual seeking to vote shall sign a polling place roster or printed voter's receipt, generated from an electronic roster which states that the individual is at least 18 years of age, a citizen of the United States, has resided in Minnesota for 20 days immediately preceding the election, maintains residence at the address shown, is not under a guardianship in which the court order revokes the individual's right to vote, has not been found by a court of law to be legally incompetent to vote or has the right to vote because, if the individual was convicted of a felony, the felony sentence has expired or been completed or the individual has been discharged from the sentence, is registered and has not already voted in the election. The roster must also state: "I understand that deliberately providing false information is a felony punishable by not more than five years imprisonment and a fine of not more than \$10,000, or both."

(b) A judge may, before the applicant signs the roster or receipt, confirm the applicant's name, address, and date of birth.

(c) In precincts where a paper roster is used, after the applicant signs the roster, the judge shall give the applicant a voter's receipt. Regardless of the form of roster used, a voter shall deliver the voter's receipt to the judge in charge of ballots as proof of the voter's right to vote, and thereupon the judge shall hand to the voter the ballot. The voters' receipts must be maintained during the time for notice of filing an election contest for 36 months following the date of the election.

Sec. 6. Minnesota Statutes 2010, section 204C.12, subdivision 4, is amended to read:

Subd. 4. **Refusal to answer questions or sign a polling place roster.** A challenged individual who refuses to answer questions or sign a polling place roster or voter's receipt as required by this section must not be allowed to vote. A challenged individual who leaves the polling place and returns later willing to answer questions or sign a polling place roster must not be allowed to vote.

Sec. 7. Minnesota Statutes 2010, section 204D.24, subdivision 2, is amended to read:

Subd. 2. **Voter registration.** An individual may register to vote at a special primary or special election at any time before the day that the polling place rosters for the special primary or special election are ~~prepared~~ finally secured by the secretary of state for the election. The secretary of state shall provide the county auditors with notice of this date at least seven days before ~~the printing of the rosters are secured~~. This subdivision does not apply to a special election held on the same day as the state primary, state general election, or the regularly scheduled primary or general election of a municipality, school district, or special district.

Sec. 8. **[206A.01] APPLICABILITY.**

This chapter applies to each designated election official who administers electronic roster systems for the purpose of conducting an election and compiling complete returns.

Sec. 9. **[206A.02] DEFINITIONS.**

Subdivision 1. **Definitions.** The definitions in this section apply to this chapter.

Subd. 2. **Designated election official.** "Designated election official" means the county auditor or municipal clerk.

Subd. 3. **Elector data.** "Elector data" means voting information, including, but not limited to, voter registration, voting history, and voting tabulations.

Subd. 4. **Electronic roster.** "Electronic roster" is a list of eligible electors in electronic format who are permitted to vote at a polling place in an election conducted under the Minnesota Election Law, which shall be processed by a computer at a precinct such that the resulting elector data is immediately accessible to all other computers in the precinct and is transferred to the county for inclusion in the statewide voter registration system no later than one week after the election.

Sec. 10. **[206A.03] MINIMUM CONTINGENCY AND SECURITY PROCEDURES.**

(a) The designated election official shall establish written security procedures covering the processing and transference of elector data. The procedures must include:

(1) security covering the transmission of elector data processed through the electronic roster and reconciliation of the registration and history of voters casting ballots in a precinct; and

(2) contingency procedures for network and power failure. The procedures must, at a minimum, include procedures to address all single point failures including:



(i) network failure;

(ii) power failure that lasts less than one hour; and

(iii) power failure that lasts more than one hour.

(b) Acceptable alternatives for addressing power or system failures include either:

(1) a paper backup of the roster with the minimum information required to verify a voter's eligibility; or

(2) a sufficient number of computers per precinct to ensure that the voter check-in continues in an efficient manner. The computers and all essential peripheral devices must have the ability to function on batteries or an external power source for up to two hours.

(c) Each computer must have an electronic backup of the current roster in one of the following formats:

(1) a portable document file (PDF);

(2) a spreadsheet; or

(3) a database with a basic look-up interface. In addition to acceptable backup roster procedures, the security procedures must address contingency procedures to protect against activities such as voting twice.

Sec. 11. **[206A.04] MINIMUM STANDARDS FOR DATA ENCRYPTION.**

(a) The secretary of state shall ensure that the county connection to the statewide voter registration system is secure including details concerning encryption methodology. In addition, the connection must meet or exceed the standards provided for in this section.

(b) Proven, standard algorithms must be used as the basis for encryption technologies.

(c) If a connection utilizes a Virtual Private Network (VPN), the following apply:

(1) it is the responsibility of the county to ensure that unauthorized users are not allowed access to internal networks;

(2) VPN use is to be controlled using either a onetime password authentication such as a token device or a public/private key system with a strong passphrase;

(3) when actively connected to the network, VPNs must force all traffic to and from the computer over the VPN tunnel and all other traffic must be dropped;

(4) dual (split) tunneling is not permitted; only one network connection is allowed;

(5) VPN gateways must be set up and managed by the county or its designee;

(6) all computers connected to internal networks via VPN or any other technology must use up-to-date antivirus software; and

(7) the VPN concentrator is limited to an absolute connection time of 24 hours.

Sec. 12. **[206A.05] MINIMUM ELECTRONIC ROSTER TRANSACTION REQUIREMENTS.**

The designated election official shall ensure the electronic roster system complies with the following response-time standards for any computer on the system:

- (1) a maximum of five seconds to update voter activity;
- (2) a maximum of 1.5 seconds to process a voter inquiry by identification number; and
- (3) a maximum of 45 seconds for session startup and password verification.

Sec. 13. **[206A.06] ELECTRONIC ROSTER PREELECTION TESTING PROCEDURES.**

(a) The designated election official shall test the electronic roster application to ensure that it meets the minimum system requirements prior to the first election in which it is used. The application must also be tested after the implementation of any system modifications, including any change in the number of connected computers. The county shall indicate in the subsequent security plan whether such retesting has occurred.

(b) The test must, at a minimum, include the following:

(1) a load test must be demonstrated through either actual computers running at proposed bandwidth and security settings, or by simulating a load test;

(2) a contingency/failure test must be demonstrated and documented illustrating the effects of failures identified in section 206A.03; and

(3) all tests must be conducted with clients and servers in normal, typical, deployed operating mode.

(c) All records and documentation of the testing must be retained by the designated election official for a period of 36 months as part of the election record. The testing record and documentation must include, but is not limited to, the following:

(1) a formal test plan containing all test scripts used:

(i) the test plan must include test environment containing make, model, type of hardware, and software versions used in testing; and

(ii) the test plan must also include the number of client computers, servers, and physical locations involved in testing;

(2) test logs of all events that were observed during testing, including:

(i) the sequence of actions necessary to set up the tests;

(ii) the actions necessary to start the tests;

(iii) the actions taken during the execution of the tests;

(iv) any measurements taken or observed during the tests;

(v) any actions necessary to stop or shut down the tests;

(vi) any actions necessary to bring the tests to a halt; and

(vii) any actions necessary or taken to deal with anomalies experienced during testing;

(3) performance logs and reports taken from both servers and workstations during the testing which contain performance information of:

(i) network usage (bandwidth);

(ii) processor utilization;

(iii) Random Access Memory (RAM) utilization; and

(iv) any additional performance monitoring reports necessary to explain the process taken and to support the findings of the tests; and

(4) all test logs must contain the date, time, operator, test status or outcome, and any additional information to assist the secretary of state in making a determination.

**Sec. 14. [206A.07] MINIMUM NUMBER OF COMPUTERS REQUIRED FOR PRECINCTS EMPLOYING ELECTRONIC ROSTERS.**

Counties employing electronic rosters in whole or in part shall allocate computers to affected precincts based upon the total number of registered voters in each precinct 90 days preceding the primary election and historical statistics regarding election day registrants. The minimum computers required shall be on site at each precinct. Precincts employing electronic rosters shall be allocated a minimum of two computers.

**Sec. 15. [206A.08] WRITTEN PROCEDURES AND REPORTS.**

(a) Written procedures and reports required by this chapter must be submitted by a county to the secretary of state for approval no later than 60 days before the election. The secretary of state shall either approve the procedures as submitted or notify the designated election official of recommended changes.

(b) If the secretary of state rejects or approves the written procedures, the secretary of state shall provide written notice of the rejection or approval, including specifics of noncompliance with this chapter within 15 days of receiving the written procedures.

(c) If the secretary of state rejects the written procedures, the designated election official shall submit a revised procedure within 15 days.

(d) The secretary of state shall permit the filing of the revised procedures at a later date if it is determined that compliance with the 15-day requirement is impossible.

**Sec. 16. LEGISLATIVE TASK FORCE ON ELECTRONIC ROSTER IMPLEMENTATION.**

Subdivision 1. **Creation.** The Legislative Task Force on Electronic Roster Implementation is established to facilitate development and implementation of electronic rosters for use in elections, as required by this article.

Subd. 2. **Duties; considerations.** (a) The task force shall:

(1) study and recommend options for systems that meet the standards for use in a precinct as provided in Minnesota Statutes, chapter 206A;

(2) study and facilitate implementation of software updates, add-ons, or other changes to the statewide voter registration system that may be necessary to allow the system to support electronic rosters as required by Minnesota Statutes, chapter 206A; and

(3) recommend to the legislature any additional changes to law that may be necessary to implement the requirements of this article.

(b) Factors that must be considered by the task force in carrying out its duties include, but are not limited to:

(1) ease of equipment use by election administrators, election judges, and voters;

(2) cost-effectiveness;

(3) feasibility of available technologies within precincts;

(4) the security, integrity, and reliability of the electronic roster system and its impact on the security, integrity, and reliability of the election; and

(5) minimum standards for equipment and software functionality as provided by law.

Subd. 3. **Membership.** The task force consists of 16 members, as follows:

(1) the speaker of the house shall appoint one member of the house of representatives, and one individual who served as a head election judge affiliated with the speaker's political party at the 2010 state general election;

(2) the minority leader of the house of representatives shall appoint one member of the house, and one individual who served as a head election judge affiliated with the minority leader's political party at the 2010 state general election;

(3) the majority leader of the senate shall appoint one member of the senate, and one individual who served as a head election judge affiliated with the majority leader's political party at the 2010 state general election;

(4) the minority leader of the senate shall appoint one member of the senate, and one individual who served as a head election judge affiliated with the minority leader's political party at the 2010 state general election;

(5) the Minnesota Association of County Auditors shall appoint one head elections administrator from a representative county with a large population, one head elections administrator from a representative county with an average-sized population, and one head elections administrator from a representative county with a small population, as defined by the association;

(6) the Minnesota Association of Townships shall appoint one head elections administrator;

(7) the League of Minnesota Cities shall appoint one head elections administrator;

(8) the secretary of state, or the secretary's designee;

(9) the director of information technology in the Office of the Secretary of State; and

(10) the Chief Information Officer of the state of Minnesota, or a designee.

Appointments required by this subdivision shall be made within 21 days of enactment of this article. The legislator appointed by the speaker of the house shall serve as chair of the task force.

Subd. 4. **Report to legislature.** The task force shall submit a report to the legislature on its activities and recommendations no later than December 1, 2011.

Subd. 5. **Meetings; staff.** (a) Meetings of the task force are subject to Minnesota Statutes, chapter 13D, except that a meeting may be closed to discuss proprietary data or other data that is protected by law.

(b) The director of the Legislative Coordinating Commission shall convene the first meeting of the task force no later than July 1, 2011, or within 30 days of enactment of this section, whichever is later, and shall provide staff as necessary to support the work of the task force.

Sec. 17. **EFFECTIVE DATE.**

Except where otherwise provided, this article is effective August 14, 2012, and applies to elections held on or after that date.

ARTICLE 4  
RECOUNTS

Section 1. Minnesota Statutes 2010, section 204C.38, is amended to read:

**204C.38 CORRECTION OF OBVIOUS ERRORS; WHEN CANDIDATES AGREE.**

Subdivision 1. **Errors of election judges.** If the candidates for an office unanimously agree in writing that the election judges in any precinct have made an obvious error in the counting or recording of the votes for that office, they shall deliver the agreement to the county auditor of that county who shall reconvene the county canvassing board, if necessary, and present the agreement to it. The county canvassing board shall correct the error as specified in the agreement.

Subd. 2. **Errors of county canvassing board.** If the candidates for an office unanimously agree in writing that the county canvassing board has made an obvious error in the counting and recording of the vote for that office they shall notify the county auditor who shall reconvene the canvassing board. The county canvassing board shall promptly correct the error as specified in the agreement and file an amended report. When an error is corrected pursuant to this subdivision, the county canvassing board and the county auditor shall proceed in accordance with sections 204C.32 to ~~204C.36~~ 204C.33 and chapter 204E.

Subd. 3. **Errors of State Canvassing Board.** If the candidates for an office unanimously agree in writing that the State Canvassing Board has made an obvious error in the counting and recording of the vote for that office they shall deliver the agreement to the secretary of state. If a certificate of election has not been issued, the secretary of state shall reconvene the State Canvassing Board and present the agreement to it. The board shall promptly correct the error as specified in the agreement and file an amended statement. When an error is corrected pursuant to this subdivision by the State Canvassing Board, the State Canvassing Board and the secretary of state shall proceed in accordance with sections 204C.32 to ~~204C.36~~ 204C.33 and chapter 204E.

Sec. 2. **[204E.01] APPLICABILITY.**

This chapter establishes procedures for the conduct of all automatic and discretionary recounts provided for in law.

Sec. 3. **[204E.02] RECOUNT OFFICIALS.**

(a) The secretary of state or the secretary of state's designee is the recount official for recounts conducted by the State Canvassing Board. The county auditor or the county auditor's designee is the recount official for recounts conducted by the county canvassing board. The county auditor or the county auditor's designee shall conduct recounts for county offices. The municipal clerk or the municipal clerk's designee is the recount official for recounts

conducted by the municipal governing body. The school district clerk or the school district clerk's designee is the recount official for recounts conducted by the school board, or by a school district canvassing board as provided in section 205A.10, subdivision 5.

(b) A recount official may delegate the duty to conduct a recount to a county auditor or municipal clerk by mutual consent. When the person who would otherwise serve as recount official is a candidate or is the employee or other subordinate, spouse, child, parent, grandparent, grandchild, stepparent, stepchild, sibling, half-sibling, or stepsibling of a candidate for the office to be recounted, the appropriate canvassing board shall select a county auditor or municipal clerk from another jurisdiction to conduct the recount.

(c) As used in this chapter, "legal adviser" means counsel to the recount official and the canvassing board for the office being recounted.

Sec. 4. **[204E.03] SCOPE OF RECOUNTS.**

A recount conducted as provided in this chapter is limited in scope to the determination of the number of votes validly cast for the office to be recounted. Only the ballots cast in the election and the summary statements certified by the election judges may be considered in the recount process. Original ballots that have been duplicated under section 206.86, subdivision 5, are not within the scope of a recount and must not be examined except as provided by a court in an election contest under chapter 209.

Sec. 5. **[204E.04] FEDERAL, STATE, AND JUDICIAL RACES.**

Subdivision 1. **Automatic recounts.** (a) In a state primary when the difference between the votes cast for the candidates for nomination to a statewide federal office, state constitutional office, statewide judicial office, congressional office, state legislative office, or district judicial office is:

(1) less than one-half of one percent of the total number of votes counted for that nomination; or

(2) ten votes or less and the total number of votes cast for the nomination is 400 votes or less,

and the difference determines the nomination, the canvassing board with responsibility for declaring the results for that office shall manually recount the vote.

(b) In a state general election when the difference between the votes of a candidate who would otherwise be declared elected to a statewide federal office, state constitutional office, statewide judicial office, congressional office, state legislative office, or district judicial office and the votes of any other candidate for that office is:

(1) less than one-half of one percent of the total number of votes counted for that office; or

(2) ten votes or less if the total number of votes cast for the office is 400 votes or less,

the canvassing board shall manually recount the votes.

(c) Time for notice of a contest for an office recounted under this section begins to run upon certification of the results of the recount by the canvassing board, or as otherwise provided in section 209.021.

(d) A losing candidate may waive a recount required by this section by filing a written notice of waiver with the canvassing board.

Subd. 2. **Discretionary candidate recount.** (a) A losing candidate whose name was on the ballot for nomination or election to a statewide federal office, state constitutional office, statewide judicial office, congressional office, state legislative office, or district judicial office may request a recount in a manner provided in this section at the candidate's own expense when the vote difference is greater than the difference required by this section. The votes must be manually recounted as provided in this section if the candidate files a request during the time for filing notice of contest of the primary or election for which a recount is sought.

(b) The requesting candidate shall file with the filing officer a bond, cash, or surety in an amount set by the filing officer for the payment of the recount expenses. The requesting candidate is responsible for the following expenses: the compensation of the secretary of state or designees and any election judge, municipal clerk, county auditor, administrator, or other personnel who participate in the recount; necessary supplies and travel related to the recount; the compensation of the appropriate canvassing board and costs of preparing for the canvass of recount results; and any attorney fees incurred in connection with the recount by the governing body responsible for the recount.

(c) The requesting candidate may provide the filing officer with a list of up to three precincts that are to be recounted first and may waive the balance of the recount after these precincts have been counted. If the candidate provides a list, the recount official must determine the expenses for those precincts in the manner provided by paragraph (b).

(d) If the winner of the race is changed by the optional recount, the cost of the recount must be paid by the jurisdiction conducting the recount.

(e) If a result of the vote counting in the manual recount is different from the result of the vote counting reported on election day by a margin greater than the standard for acceptable performance of voting systems provided in section 206.89, subdivision 4, the cost of the recount must be paid by the jurisdiction conducting the recount.

**Sec. 6. [204E.05] RECOUNTS IN COUNTY, SCHOOL DISTRICT, AND MUNICIPAL ELECTIONS.**

Subdivision 1. **Required recounts.** (a) Except as provided in paragraph (b), a losing candidate for nomination or election to a county, municipal, or school district office may request a recount of the votes cast for the nomination or election to that office if the difference between the votes cast for that candidate and for a winning candidate for nomination or election is less than one-half of one percent of the total votes counted for that office. In case of offices where two or more seats are being filled from among all the candidates for the office, the one-half of one percent difference is between the elected candidate with the fewest votes and the candidate with the most votes from among the candidates who were not elected.

(b) A losing candidate for nomination or election to a county, municipal, or school district office may request a recount of the votes cast for nomination or election to that office if the difference between the votes cast for that candidate and for a winning candidate for nomination or election is ten votes or less, and the total number of votes cast for the nomination or election of all candidates is no more than 400. In cases of offices where two or more seats are being filled from among all the candidates for the office, the ten-vote difference is between the elected candidate with the fewest votes and the candidate with the most votes from among the candidates who were not elected.

(c) Candidates for county offices shall file a written request for the recount with the county auditor. Candidates for municipal or school district offices shall file a written request with the municipal or school district clerk as appropriate. All requests must be filed during the time for notice of contest of the primary or election for which a recount is sought.

(d) Upon receipt of a request made pursuant to this section, the county auditor shall recount the votes for a county office at the expense of the county, the governing body of the municipality shall recount the votes for a municipal office at the expense of the municipality, and the school board of the school district shall recount the votes for a school district office at the expense of the school district.

**Subd. 2. Discretionary candidate recounts.** (a) A losing candidate for nomination or election to a county, municipal, or school district office may request a recount in the manner provided in this section at the candidate's own expense when the vote difference is greater than the difference required by subdivision 1. The votes must be manually recounted as provided in this section if the requesting candidate files with the county auditor, municipal clerk, or school district clerk a bond, cash, or surety in an amount set by the governing body of the jurisdiction or the school board of the school district for the payment of the recount expenses.

(b) The requesting candidate may provide the filing officer with a list of up to three precincts that are to be recounted first and may waive the balance of the recount after these precincts have been counted. If the candidate provides a list, the recount official must determine the expenses for those precincts in the manner provided by this paragraph.

(c) If the winner of the race is changed by the optional recount, the cost of the recount must be paid by the jurisdiction conducting the recount.

(d) If a result of the vote counting in the manual recount is different from the result of the vote counting reported on election day by a margin greater than the standard for acceptable performance of voting systems provided in section 206.89, subdivision 4, the cost of the recount must be paid by the jurisdiction conducting the recount.

**Subd. 3. Discretionary ballot question recounts.** A recount may be conducted for a ballot question when the difference between the votes for and the votes against the question is less than or equal to the difference provided in subdivision 1. A recount may be requested by any person eligible to vote on the ballot question. A written request for a recount must be filed with the filing officer of the county, municipality, or school district placing the question on the ballot and must be accompanied by a petition containing the signatures of 25 voters eligible to vote on the question. Upon receipt of a written request when the difference between the votes for and the votes against the question is less than or equal to the difference provided in subdivision 1, the county auditor shall recount the votes for a county question at the expense of the county, the governing body of the municipality shall recount the votes for a municipal question at the expense of the municipality, and the school board of the school district shall recount the votes for a school district question at the expense of the school district. If the difference between the votes for and the votes against the question is greater than the difference provided in subdivision 1, the person requesting the recount shall also file with the filing officer of the county, municipality, or school district a bond, cash, or surety in an amount set by the appropriate governing body for the payment of recount expenses. The written request, petition, and any bond, cash, or surety required must be filed during the time for notice of contest for the election for which the recount is requested.

**Subd. 4. Expenses.** In the case of a question, a person, or a candidate requesting a discretionary recount, is responsible for the following expenses: the compensation of the secretary of state, or designees, and any election judge, municipal clerk, county auditor, administrator, or other personnel who participate in the recount; necessary supplies and travel related to the recount; the compensation of the appropriate canvassing board and costs of preparing for the canvass of recount results; and any attorney fees incurred in connection with the recount by the governing body responsible for the recount.

**Subd. 5. Notice of contest.** Except as otherwise provided in section 209.021, the time for notice of contest of a nomination or election to an office which is recounted pursuant to this section begins to run upon certification of the results of the recount by the appropriate canvassing board or governing body.

**Sec. 7. [204E.06] NOTICE.**

Within 24 hours after determining that an automatic recount is required or within 48 hours of receipt of a written request for a recount and filing of a security deposit if one is required, the official in charge of the recount shall send notice to the candidates for the office to be recounted and the county auditor of each county wholly or partially within the election district. The notice must include the date, starting time, and location of the recount, the office to be recounted, and the name of the official performing the recount. The notice must state that the recount is open to the public and, in case of an automatic recount, that the losing candidate may waive the recount.



Sec. 8. **[204E.07] SECURING BALLOTS AND MATERIALS.**

(a) The official who has custody of the voted ballots is responsible for keeping secure all election materials. Registration cards of voters who registered on election day may be processed as required by rule. All other election materials must be kept secure by precinct as returned by the election judges until all recounts have been completed and until the time for contest of election has expired.

(b) Any candidate for an office to be recounted may have all materials relating to the election, including, but not limited to, polling place rosters, voter registration applications, accepted absentee ballot envelopes, rejected absentee ballot envelopes, applications for absentee ballots, precinct summary statements, printouts from voting machines, and precinct incident logs inspected before the canvassing board may certify the results of the recount.

Sec. 9. **[204E.08] FACILITIES AND EQUIPMENT.**

All recounts must be accessible to the public. In a multicounty recount the secretary of state may locate the recount in one or more of the election jurisdictions or at the site of the canvassing board. Each election jurisdiction where a recount is conducted shall make available, without charge to the recount official or body conducting the recount, adequate accessible space and all necessary equipment and facilities.

Sec. 10. **[204E.09] GENERAL PROCEDURES.**

At the opening of a recount, the recount official or legal adviser shall present the procedures contained in this section for the recount. The custodian of the ballots shall make available to the recount official the precinct summary statements, the precinct boxes or the sealed containers of voted ballots, and any other election materials requested by the recount official. If the recount official needs to leave the room for any reason, the recount official must designate a deputy recount official to preside during the recount official's absence. A recount official must be in the room at all times. The containers of voted ballots must be unsealed and resealed within public view. No ballots or election materials may be handled by candidates, their representatives, or members of the public. There must be an area of the room from which the public may observe the recount. Cell phones and video cameras may be used in this public viewing area, as long as their use is not disruptive. The recount official shall arrange the counting of the ballots so that the candidates and their representatives may observe the ballots as they are recounted. Candidates may each have one representative observe the sorting of each precinct. One additional representative per candidate may observe the ballots when they have been sorted and are being counted pursuant to section 204E.10. Candidates may have additional representatives in the public viewing area of the room. If other election materials are handled or examined by the recount officials, the candidates and their representatives may observe them. The recount official shall ensure that public observation does not interfere with the counting of the ballots. The recount official shall prepare a summary of the recount vote by precinct.

Sec. 11. **[204E.10] COUNTING AND CHALLENGING BALLOTS.**

Subdivision 1. **Breaks in counting process.** Recount officials may not take a break for a meal or for the day prior to the completion of the sorting, counting, review, and labeling of challenges, and secure storage of the ballots for any precinct. All challenged ballots must be stored securely during breaks in the counting process.

Subd. 2. **Sorting ballots.** Ballots must be recounted by precinct. The recount official shall open the sealed container of ballots and recount them in accordance with section 204C.22. The recount official must review each ballot and sort the ballots into piles based upon the recount official's determination as to which candidate, if any, the voter intended to vote for: one pile for each candidate that is the subject of the recount and one pile for all other ballots.

Subd. 3. **Challenge.** During the sorting, a candidate or candidate's representative may challenge the ballot if he or she disagrees with the recount official's determination of for whom the ballot should be counted and whether there are identifying marks on the ballot. At a recount of a ballot question, the manner in which a ballot is counted may be challenged by the person who requested the recount or that person's representative. Challenges may not be

automatic or frivolous and the challenger must state the basis for the challenge pursuant to section 204C.22. Challenged ballots must be placed into separate piles, one for ballots challenged by each candidate. Only the canvassing board with responsibility to certify the results of the recount has the authority to declare a challenge to be "frivolous."

Subd. 4. **Counting ballots.** Once ballots have been sorted, the recount officials must count the piles using the stacking method described in section 204C.21. A candidate or candidate's representative may immediately request to have a pile of 25 counted a second time if there is not agreement as to the number of votes in the pile.

Subd. 5. **Reviewing and labeling challenged ballots.** After the ballots from a precinct have been counted, the recount official may review the challenged ballots with the candidate or the candidate's representative. The candidate's representative may choose to withdraw any challenges previously made. The precinct name, the reason for the challenge, and the name of the person challenging the ballot or the candidate that person represents, and a sequential number must be marked on the back of each remaining challenged ballot before it is placed in an envelope marked "Challenged Ballots." After the count of votes for the precinct has been determined, all ballots except the challenged ballots must be resealed in the ballot envelopes and returned with the other election materials to the custodian of the ballots. The recount official may make copies of the challenged ballots. After the count of votes for all precincts has been determined during that day of counting, the challenged ballot envelope must be sealed and kept secure for presentation to the canvassing board.

Sec. 12. **[204E.11] RESULTS OF RECOUNT; TIE VOTES.**

Subdivision 1. **Certification of results.** The recount official shall present the summary statement of the recount and any challenged ballots to the canvassing board. The candidate or candidate's representative who made the challenge may present the basis for the challenge to the canvassing board. The canvassing board shall rule on the challenged ballots and incorporate the results into the summary statement. The canvassing board shall certify the results of the recount. Challenged ballots must be returned to the election official who has custody of the ballots.

Subd. 2. **Tie votes.** In case of a tie vote for nomination or election to an office, the canvassing board with the responsibility for declaring the results for that office shall determine the tie by lot.

Sec. 13. **[204E.12] SECURITY DEPOSIT.**

When a bond, cash, or surety for recount expenses is required by section 204E.04 or 204E.05, the governing body or recount official shall set the amount of the security deposit at an amount which will cover expected recount expenses. In multicounty districts, the secretary of state shall set the amount taking into consideration the expenses of the election jurisdictions in the district and the expenses of the secretary of state. The security deposit must be filed during the period for requesting an administrative recount. In determining the expenses of the recount, only the actual recount expenditures incurred by the recount official and the election jurisdiction in conducting the recount may be included. General office and operating costs may not be taken into account.

Sec. 14. **REVISOR'S INSTRUCTION.**

Except where otherwise amended by this article, the revisor of statutes shall renumber each section of Minnesota Statutes listed in column A with the number listed in column B. The revisor shall make necessary cross-reference changes consistent with the renumbering.

<u>Column A</u>	<u>Column B</u>
<u>204C.34</u>	<u>204E.11, subdivision 2</u>
<u>204C.35</u>	<u>204E.04</u>
<u>204C.36</u>	<u>204E.05</u>

Sec. 15. **REPEALER.**

Minnesota Statutes 2010, sections 204C.34; 204C.35; 204C.36; and 204C.361, are repealed.

Sec. 16. **EFFECTIVE DATE.**

This article is effective June 1, 2011, and applies to recounts conducted on or after that date."

Delete the title and insert:

"A bill for an act relating to elections; requiring voters to provide picture identification before receiving a ballot in most situations; providing for the issuance of voter identification cards at no charge; establishing a procedure for provisional balloting; creating challenged voter eligibility list; specifying other election administration procedures; allowing use of electronic polling place rosters; setting standards for use of electronic polling place rosters; creating legislative task force on electronic roster implementation; enacting procedures related to recounts; appropriating money; amending Minnesota Statutes 2010, sections 13.69, subdivision 1; 135A.17, subdivision 2; 171.01, by adding a subdivision; 171.06, subdivisions 1, 2, 3, by adding a subdivision; 171.061, subdivisions 1, 3, 4; 171.07, subdivisions 1a, 4, 9, 14, by adding a subdivision; 171.071; 171.11; 171.14; 200.02, by adding a subdivision; 201.021; 201.022, subdivision 1; 201.061, subdivisions 3, 4, 7; 201.071, subdivision 3; 201.081; 201.121, subdivisions 1, 3; 201.171; 201.221, subdivision 3; 203B.04, subdivisions 1, 2; 203B.06, subdivision 5; 203B.121, subdivision 1; 204B.14, subdivision 2; 204B.40; 204C.10; 204C.12, subdivisions 3, 4; 204C.14; 204C.20, subdivisions 1, 2, 4, by adding a subdivision; 204C.23; 204C.24, subdivision 1; 204C.32; 204C.33, subdivision 1; 204C.37; 204C.38; 204D.24, subdivision 2; 205.065, subdivision 5; 205.185, subdivision 3; 205A.03, subdivision 4; 205A.10, subdivision 3; 206.86, subdivisions 1, 2; 209.021, subdivision 1; 209.06, subdivision 1; 211B.11, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 200; 201; 204C; proposing coding for new law as Minnesota Statutes, chapters 204E; 206A; repealing Minnesota Statutes 2010, sections 203B.04, subdivision 3; 204C.34; 204C.35; 204C.36; 204C.361."

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

The report was adopted.

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

H. F. No. 229, A bill for an act relating to public safety; authorizing judges to prohibit certain juvenile sex offenders from residing near their victims; amending Minnesota Statutes 2010, section 260B.198, subdivision 1, by adding a subdivision.

Reported the same back with the following amendments:

Page 3, line 32, delete "2010" and insert "2011"

Page 4, delete lines 1 to 5 and insert:

"Subd. 1a. **Juvenile sex offenders; residency restriction.** If the court finds that the child is 15 years of age or older, is delinquent due to a violation of section 609.342, 609.343, 609.344, 609.345, 609.3451, subdivision 3, or 609.3453, and does not reside in the same home as the victim, in addition to other dispositions authorized under this section, the court may prohibit the child from residing within 1,000 feet or three city blocks, whichever distance is greater, from the victim for a portion or the entire period that the court has jurisdiction over the child."

Page 4, line 6, delete "2010" and insert "2011"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Public Safety and Crime Prevention Policy and Finance.

The report was adopted.

Westrom from the Committee on Civil Law to which was referred:

H. F. No. 322, A bill for an act relating to children; establishing a presumption of joint physical custody; creating the Children's Equal and Shared Parenting Act; requiring certain parenting plans; amending Minnesota Statutes 2010, sections 257.541; 518.003, subdivision 3; 518.091; 518.131, subdivision 1; 518.156; 518.167, subdivision 2; 518.175, subdivision 1; 518.18; proposing coding for new law in Minnesota Statutes, chapter 518; repealing Minnesota Statutes 2010, section 518.17, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2010, section 257.541, is amended to read:

**257.541 CUSTODY AND PARENTING TIME WITH CHILDREN BORN OUTSIDE OF MARRIAGE.**

Subdivision 1. **Mother's right to custody.** The biological mother of a child born to a mother who was not married to the child's father when the child was born and was not married to the child's father when the child was conceived has sole custody of the child until paternity has been established under sections 257.51 to 257.74, or until custody is determined in a separate proceeding under section 518.156.

Subd. 2. **Father's right to parenting time and custody.** (a) If paternity has been acknowledged under section 257.34 and paternity has been established under sections 257.51 to 257.74, the father's rights of parenting time or custody are determined under sections ~~518.17 and 518.169~~ to 518.175.

(b) If paternity has not been acknowledged under section 257.34 and paternity has been established under sections 257.51 to 257.74, the biological father may petition for rights of parenting time or custody in the paternity proceeding or in a separate proceeding under section 518.156. The rights of parenting time or custody must be determined under sections 518.169 to 518.175.

Subd. 3. **Father's right to parenting time and custody; recognition of paternity.** If paternity has been recognized under section 257.75, the father may petition for rights of parenting time or custody in an independent action under section 518.156. The proceeding must be treated as an initial determination of custody ~~under section 518.17.~~ ~~The and the provisions of chapter 518 sections 518.169 to 518.175~~ apply with respect to the granting of custody and parenting time. An action to determine custody and parenting time may be commenced pursuant to chapter 518 without an adjudication of parentage. These proceedings may not be combined with any proceeding under chapter 518B.

**EFFECTIVE DATE.** This section is effective for temporary orders and child custody determinations made on or after January 1, 2012.

Sec. 2. Minnesota Statutes 2010, section 518.003, subdivision 3, is amended to read:

Subd. 3. **Custody.** Unless otherwise agreed by the parties:

(a) "Legal custody" means the right to determine the child's upbringing, including education, health care, and religious training.

(b) "Joint legal custody" means that both parents have equal rights and responsibilities, including the right to participate in major decisions determining the child's upbringing, including education, health care, and religious training.

(c) "Physical custody and residence" means the routine daily care and control and the residence of the child.

(d) "Joint physical custody" means that the routine daily care and control and the residence of the child is ~~structured~~ shared between the parties.

(e) Wherever used in this chapter, the term "custodial parent" or "custodian" means the person who has the physical custody of the child at any particular time.

(f) "Custody determination" means a court decision and court orders and instructions providing for the custody of a child, including parenting time, but does not include a decision relating to child support or any other monetary obligation of any person.

(g) "Custody proceeding" includes proceedings in which a custody determination is one of several issues, such as an action for dissolution, divorce, or separation, and includes proceedings involving children who are in need of protection or services, domestic abuse, and paternity.

**EFFECTIVE DATE.** This section is effective for temporary orders and child custody determinations made on or after January 1, 2012.

Sec. 3. Minnesota Statutes 2010, section 518.091, is amended to read:

**518.091 SUMMONS; TEMPORARY RESTRAINING PROVISIONS; NOTICE REGARDING PARENT EDUCATION PROGRAM REQUIREMENTS; NOTICE REGARDING CUSTODY AND PARENTING TIME.**

Subdivision 1. **Temporary restraining orders.** (a) Every summons must include the notice in this subdivision.

NOTICE OF TEMPORARY RESTRAINING AND  
ALTERNATIVE DISPUTE RESOLUTION PROVISIONS

UNDER MINNESOTA LAW, SERVICE OF THIS SUMMONS MAKES THE FOLLOWING REQUIREMENTS APPLY TO BOTH PARTIES TO THIS ACTION, UNLESS THEY ARE MODIFIED BY THE COURT OR THE PROCEEDING IS DISMISSED:

(1) NEITHER PARTY MAY DISPOSE OF ANY ASSETS EXCEPT (i) FOR THE NECESSITIES OF LIFE OR FOR THE NECESSARY GENERATION OF INCOME OR PRESERVATION OF ASSETS, (ii) BY AN AGREEMENT IN WRITING, OR (iii) FOR RETAINING COUNSEL TO CARRY ON OR TO CONTEST THIS PROCEEDING;

(2) NEITHER PARTY MAY HARASS THE OTHER PARTY; AND

(3) ALL CURRENTLY AVAILABLE INSURANCE COVERAGE MUST BE MAINTAINED AND CONTINUED WITHOUT CHANGE IN COVERAGE OR BENEFICIARY DESIGNATION.

IF YOU VIOLATE ANY OF THESE PROVISIONS, YOU WILL BE SUBJECT TO SANCTIONS BY THE COURT.

(4) PARTIES TO A MARRIAGE DISSOLUTION PROCEEDING ARE ENCOURAGED TO ATTEMPT ALTERNATIVE DISPUTE RESOLUTION PURSUANT TO MINNESOTA LAW. ALTERNATIVE DISPUTE RESOLUTION INCLUDES MEDIATION, ARBITRATION, AND OTHER PROCESSES AS SET FORTH IN THE DISTRICT COURT RULES. YOU MAY CONTACT THE COURT ADMINISTRATOR ABOUT RESOURCES IN YOUR AREA. IF YOU CANNOT PAY FOR MEDIATION OR ALTERNATIVE DISPUTE RESOLUTION, IN SOME COUNTIES, ASSISTANCE MAY BE AVAILABLE TO YOU THROUGH A NONPROFIT PROVIDER OR A COURT PROGRAM. IF YOU ARE A VICTIM OF DOMESTIC ABUSE OR THREATS OF ABUSE AS DEFINED IN MINNESOTA STATUTES, CHAPTER 518B, YOU ARE NOT REQUIRED TO TRY MEDIATION AND YOU WILL NOT BE PENALIZED BY THE COURT IN LATER PROCEEDINGS.

(b) Upon service of the summons, the restraining provisions contained in the notice apply by operation of law upon both parties until modified by further order of the court or dismissal of the proceeding, unless more than one year has passed since the last document was filed with the court.

Subd. 2. **Parent education program requirements.** Every summons involving custody or parenting time of a minor child must include the notice in this subdivision.

#### NOTICE OF PARENT EDUCATION PROGRAM REQUIREMENTS

UNDER MINNESOTA STATUTES, SECTION 518.157, IN A CONTESTED PROCEEDING INVOLVING CUSTODY OR PARENTING TIME OF A MINOR CHILD, THE PARTIES MUST BEGIN PARTICIPATION IN A PARENT EDUCATION PROGRAM THAT MEETS MINIMUM STANDARDS PROMULGATED BY THE MINNESOTA SUPREME COURT WITHIN 30 DAYS AFTER THE FIRST FILING WITH THE COURT. IN SOME DISTRICTS, PARENTING EDUCATION MAY BE REQUIRED IN ALL CUSTODY OR PARENTING PROCEEDINGS. YOU MAY CONTACT THE DISTRICT COURT ADMINISTRATOR FOR ADDITIONAL INFORMATION REGARDING THIS REQUIREMENT AND THE AVAILABILITY OF PARENT EDUCATION PROGRAMS.

Subd. 3. **Custody and parenting time requirements.** Every summons must include the notice in this subdivision.

#### NOTICE OF CUSTODY AND PARENTING TIME

PARENTS ARE ENTITLED TO A PRESUMPTION OF JOINT LEGAL CUSTODY AND JOINT PHYSICAL CUSTODY WITH EQUAL SHARED PARENTING. THIS MEANS THAT EACH PARENT HAS AT LEAST 45.1 PERCENT PARENTING TIME, UNLESS THE PARENTS AGREE OTHERWISE. CERTAIN EXCEPTIONS AND OTHER PROVISIONS APPLY UNDER MINNESOTA STATUTES, SECTIONS 518.169 TO 518.175.

**EFFECTIVE DATE.** This section is effective for summons issued on or after January 1, 2012.

Sec. 4. Minnesota Statutes 2010, section 518.131, subdivision 1, is amended to read:

Subdivision 1. **Permissible orders.** In a proceeding brought for custody, dissolution, or legal separation, or for disposition of property, maintenance, or child support following the dissolution of a marriage, either party may, by motion, request from the court and the court may grant a temporary order pending the final disposition of the proceeding to or for:

(a) Temporary custody and parenting time pursuant to sections 518.169 to 518.175, regarding the minor children of the parties;

(b) Temporary maintenance of either spouse;

- (c) Temporary child support for the children of the parties;
- (d) Temporary costs and reasonable attorney fees;
- (e) Award the temporary use and possession, exclusive or otherwise, of the family home, furniture, household goods, automobiles, and other property of the parties;
- (f) Restrain one or both parties from transferring, encumbering, concealing, or disposing of property except in the usual course of business or for the necessities of life, and to account to the court for all such transfers, encumbrances, dispositions, and expenditures made after the order is served or communicated to the party restrained in open court;
- (g) Restrain one or both parties from harassing, vilifying, mistreating, molesting, disturbing the peace, or restraining the liberty of the other party or the children of the parties;
- (h) Restrain one or both parties from removing any minor child of the parties from the jurisdiction of the court;
- (i) Exclude a party from the family home of the parties or from the home of the other party; and
- (j) Require one or both of the parties to perform or to not perform such additional acts as will facilitate the just and speedy disposition of the proceeding, or will protect the parties or their children from physical or emotional harm.

**EFFECTIVE DATE.** This section is effective for temporary orders issued on or after January 1, 2012.

Sec. 5. Minnesota Statutes 2010, section 518.131, subdivision 7, is amended to read:

Subd. 7. **Guiding factors.** The court shall be guided by the factors set forth in chapter 518A (concerning child support), and sections 518.552 (concerning maintenance), ~~518.17~~ 518.169 to 518.175 (concerning custody and parenting time), and 518.14 (concerning costs and attorney fees) in making temporary orders and restraining orders.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 6. Minnesota Statutes 2010, section 518.155, is amended to read:

#### **518.155 CUSTODY DETERMINATIONS.**

Notwithstanding any law to the contrary, a court in which a proceeding for dissolution, legal separation, or child custody has been commenced shall not issue, revise, modify or amend any order, pursuant to sections 518.131, 518.165, 518.168, 518.169, 518.17, 518.175 or 518.18, which affects the custody of a minor child or the parenting time of a parent unless the court has jurisdiction over the matter pursuant to the provisions of chapter 518D.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 7. Minnesota Statutes 2010, section 518.156, is amended to read:

#### **518.156 COMMENCEMENT OF CUSTODY PROCEEDING.**

Subdivision 1. **Procedure.** In a court of this state ~~which has~~ with jurisdiction to decide child custody matters, a child custody proceeding is commenced by a parent:

- (1) by filing a petition for dissolution or legal separation; or

(2) where a decree of dissolution or legal separation has been entered or where none is sought, or when paternity has been recognized under section 257.75, by filing a petition or motion seeking custody or parenting time with the child in the county where the child is permanently resident ~~or~~, where the child is found, or where an earlier order for custody of the child has been entered.

Subd. 2. **Required notice.** (a) Written notice of a child custody or parenting time or visitation proceeding shall be given to the child's parent, guardian, and custodian, who may appear and be heard and may file a responsive pleading. The court may, upon a showing of good cause, permit the intervention of other interested parties.

(b) Every notice must include the following notice of custody and parenting time requirements.

NOTICE OF CUSTODY AND PARENTING TIME

PARENTS ARE ENTITLED TO A PRESUMPTION OF JOINT LEGAL CUSTODY AND JOINT PHYSICAL CUSTODY WITH EQUAL SHARED PARENTING. THIS MEANS THAT EACH PARENT HAS AT LEAST 45.1 PERCENT PARENTING TIME, UNLESS THE PARENTS AGREE OTHERWISE. CERTAIN EXCEPTIONS AND OTHER PROVISIONS APPLY UNDER MINNESOTA STATUTES, SECTIONS 518.169 TO 518.175.

**EFFECTIVE DATE.** This section is effective for all notices issued on or after January 1, 2012.

Sec. 8. Minnesota Statutes 2010, section 518.167, subdivision 2, is amended to read:

Subd. 2. **Preparation.** (a) In preparing a report concerning a child, the investigator may consult any person who may have information about the child and the potential custodial arrangements except for persons involved in mediation efforts between the parties. Mediation personnel may disclose to investigators and evaluators information collected during mediation only if agreed to in writing by all parties. Upon order of the court, the investigator may refer the child to professional personnel for diagnosis. The investigator may consult with and obtain information from medical, psychiatric, school personnel, or other expert persons who have served the child in the past after obtaining the consent of the parents or the child's custodian or guardian.

(b) The report submitted by the investigator must consider and evaluate the factors in section ~~518.17, subdivision 4~~ ~~518.169, subdivision 3~~, and include a detailed analysis of all information considered for each factor, provided that if joint physical custody is contemplated or sought not requested by either party, the report must consider and evaluate the factors in section ~~518.17, subdivision 2~~, 518.17, subdivision 1. The report must state the position of each party and the investigator's recommendation and the reason for the recommendation, and reference established means for dispute resolution between the parties.

**EFFECTIVE DATE.** This section is effective for all investigations ordered on or after January 1, 2012.

Sec. 9. **[518.169] JOINT CUSTODY AND EQUAL SHARED PARENTING.**

Subdivision 1. **Public policy.** (a) Recognizing the importance of protections afforded children by their ability to develop strong parental bonds, and recognizing the fundamental right and liberty interest that parents enjoy regarding the care, custody, and companionship of their children, the legislature finds and declares the following with respect to the intent of Minnesota laws relating to families:

(1) an intact, involved two-parent home provides the optimal environment through which children grow into productive and responsible adult citizens;

(2) parents play the primary role in the nurturing and development of their children. Our society, state, and statutes are secondary structures designed to support, not supplant, both parents in their role as the primary shapers of their children;



(3) mothers and fathers provide unique and invaluable contributions toward the development of their children. Each parent's contributions to the upbringing of their children are indistinguishable and equally necessary to assure children the best opportunity to develop into healthy citizens;

(4) children should be separated from their parents only under the most compelling and unusual circumstances in order to protect a child from endangerment;

(5) it is in the best interests of children to have frequent and continuing physical contact with both parents under joint legal and joint physical custody when the parents live separately, including after parental separation or dissolution of marriage. The proper role of the state is to interfere to the least degree in familial relationships with the specific purpose of preserving maximum time allocations with each parent and their children;

(6) parents may, and should be encouraged to, reach any agreement mutually acceptable to them regarding their parenting time allocations that reflects the individual circumstances of the parents and children. In the event parents cannot reach agreement on a parenting arrangement, it is the specific intent of Minnesota law that parents have a right to a rebuttable presumption of equal time with their children; and

(7) the judiciary in contested custody proceedings should demonstrate consistent application of the rebuttable presumption in favor of joint legal and joint physical custody in order to minimize the adversarial nature of custody proceedings.

(b) The purpose of this section is to prevent children from being alienated or disenfranchised from their parents' lives through the unwarranted interference of either parent.

(c) This section establishes clear legislative policy regarding the relationship of children with each parent when the parents live separately.

(d) In accordance with the findings in paragraph (a), the legislature declares that public policy is advanced and the best interests of children are promoted through equal and shared parenting and the recognition of both parents' fundamental freedoms to actively participate in the care, custody, and companionship of their children.

**Subd. 2. Presumption of joint legal and physical custody and shared parenting.** This subdivision applies to temporary and final orders in marriage dissolution or parentage cases. Upon request of either or both parties, the court shall use a rebuttable presumption that joint legal custody and joint physical custody, with equal shared parenting, is in the best interests of the child. For purposes of this subdivision, "equal" means a minimum parenting time for each parent of 45.1 percent. The percentage of parenting time may be determined by calculating the number of overnights that a child spends with a parent or by using a method other than overnights if the parent has significant time periods on separate days when the child is in the parent's physical custody but does not stay overnight. The parenting time must be spread throughout one calendar year in a way that best meets variable circumstances for the parties, unless both parents agree to a different division of time or schedule.

**Subd. 3. Overcoming presumption.** If the parents are unable to reach an agreement on joint legal and joint physical custody and equal shared parenting, the burden of overcoming the presumption of joint legal custody, joint physical custody, and equal shared parenting rests on the parent challenging the presumption. To overcome the presumption, the court must find that the parent challenging the presumption has established by clear and convincing evidence that:

(1) the other parent's actions rise to the level of endangering the child due to any of the following:

(i) abandonment under section 260C.007, subdivision 6, clause (1), 260C.301, subdivision 2, or 518.1705, subdivision 6, paragraph (b), clause (3);

(ii) physical or sexual abuse under section 260C.007, subdivision 6, clause (2);

(iii) neglect under section 260C.007, subdivision 6, clause (3) or (8);

(iv) allowing the child to live in injurious or dangerous conditions under section 260C.007, subdivision 6, clause (9);

(v) egregious harm under section 260C.007, subdivision 14;

(vi) emotional maltreatment under section 260C.007, subdivision 15;

(vii) great bodily harm under section 609.02, subdivision 7;

(viii) conviction of child abuse as defined in section 609.185, clause (b);

(ix) child maltreatment under section 626.556, subdivision 2, clauses (c) to (g); or

(x) domestic abuse as defined in section 518B.01, except when:

(A) a parent has petitioned for an order for protection and the petition has been dismissed or denied by a court, or an order for protection was filed by agreement of the parties without a finding of domestic abuse and the agreement and order incorporating the agreement did not provide otherwise, in which case the court must find that no domestic abuse has occurred with respect to matters that were alleged or could have been alleged; or

(B) a parent knowingly makes false allegations of domestic abuse as defined in section 518B.01, subdivision 2. Making a false allegation of abuse is sufficient grounds to challenge the custody and parenting time of the accuser. Allegations raised in the context of custody proceedings that do not display evidence of a previous pattern of abuse deserve heightened scrutiny as to their veracity; or

(2) the other parent is incapable of self-management or management of personal affairs and would jeopardize the safety of the children due to current habitual and excessive use of alcohol, drugs, or other mind-altering substances and the related actions due to the substance abuse demonstrate endangerment to the well-being of the child.

**Subd. 4. Consideration of geographic limitations.** This subdivision applies when the presumption has not been overcome, but due to the parents' different geographic locations, a 45.1 percent minimum parenting time for each parent would prevent the parents from keeping the child in one school during a school year. During the pendency of the custody proceeding, the child shall remain in the same school district which the child currently attends or most recently attended, unless the parents agree otherwise, or except in cases under section 518B.01 where the parent or child involved in the proceeding is endangered. If the parents do not agree otherwise, the court shall determine which parent has the majority of parenting time using the best interests of the child factors under section 518.17, subdivision 1, provided that a minimum of 25 percent parenting time must be granted to the other parent, making every attempt to exceed this amount and maximize the parental involvement of each parent.

**Subd. 5. Findings and order.** (a) If the court finds the presumption has been overcome, the court shall make detailed written findings that enumerate and explain which of the factors in this subdivision are applicable and what evidence supported these factors. The court shall restrict physical custody and parenting time with the other parent as to time, place, duration, or supervision and may deny parenting time entirely, as the circumstances warrant.

(b) If the court finds the presumption was not overcome, the court shall issue a custody order or parenting plan with a minimum 45.1 percent parenting time for each parent, or a different division of time agreed to by the parents, or as provided under subdivision 4, if applicable.

**EFFECTIVE DATE.** This section is effective for temporary orders and child custody determinations made on or after January 1, 2012.

Sec. 10. Minnesota Statutes 2010, section 518.17, subdivision 1, is amended to read:

Subdivision 1. **The best interests of the child.** (a) Subject to section 518.169, "the best interests of the child" means all relevant factors to be considered and evaluated by the court including:

- (1) the wishes of the child's parent or parents as to custody;
- (2) the reasonable preference of the child, if the court deems the child to be of sufficient age to express preference;
- (3) the child's primary caretaker;
- (4) the intimacy of the relationship between each parent and the child;
- (5) the interaction and interrelationship of the child with a parent or parents, siblings, and any other person who may significantly affect the child's best interests;
- (6) the child's adjustment to home, school, and community;
- (7) the length of time the child has lived in a stable, satisfactory environment and the desirability of maintaining continuity;
- (8) the permanence, as a family unit, of the existing or proposed custodial home;
- (9) the mental and physical health of all individuals involved; except that a disability, as defined in section 363A.03, of a proposed custodian or the child shall not be determinative of the custody of the child, unless the proposed custodial arrangement is not in the best interest of the child;
- (10) the capacity and disposition of the parties to give the child love, affection, and guidance, and to continue educating and raising the child in the child's culture and religion or creed, if any;
- (11) the child's cultural background;
- (12) the effect on the child of the actions of an abuser, if related to domestic abuse, as defined in section 518B.01, that has occurred between the parents or between a parent and another individual, whether or not the individual alleged to have committed domestic abuse is or ever was a family or household member of the parent; and
- (13) except in cases in which a finding of domestic abuse as defined in section 518B.01 has been made, the disposition of each parent to encourage and permit frequent and continuing contact by the other parent with the child.

The court may not use one factor to the exclusion of all others. The primary caretaker factor may not be used as a presumption in determining the best interests of the child. The court must make detailed findings on each of the factors and explain how the factors led to its conclusions and to the determination of the best interests of the child.

(b) The court shall not consider conduct of a proposed custodian that does not affect the custodian's relationship to the child.

Sec. 11. Minnesota Statutes 2010, section 518.17, subdivision 3, is amended to read:

Subd. 3. **Custody order.** (a) Subject to section 518.169, upon adjudging the nullity of a marriage, or in a dissolution or separation proceeding, or in a child custody proceeding, the court shall make such further order as it deems just and proper concerning:

(1) the legal custody of the minor children of the parties which shall be sole or joint;

(2) their physical custody and residence; and

(3) their support. In determining custody, the court shall ~~consider use section 518.169 or, if section 518.169 is not applicable, use~~ the best interests of ~~each the~~ child factors under subdivision 1 and shall not prefer one parent over the other solely on the basis of the sex of the parent. If neither party requests joint legal and joint physical custody under section 518.169 but either or both parties request joint legal custody, the court shall use a rebuttable presumption that joint legal custody is in the best interests of the child.

(b) The court shall grant the following rights to each of the parties, unless specific findings are made under section 518.68, subdivision 1. Each party has the right of access to, and to receive copies of, school, medical, dental, religious training, and other important records and information about the minor children. Each party has the right of access to information regarding health or dental insurance available to the minor children. Each party shall keep the other party informed as to the name and address of the school of attendance of the minor children. Each party has the right to be informed by school officials about the children's welfare, educational progress and status, and to attend school and parent-teacher conferences. The school is not required to hold a separate conference for each party. In case of an accident or serious illness of a minor child, each party shall notify the other party of the accident or illness, and the name of the health care provider and the place of treatment. Each party has the right to reasonable access and telephone contact with the minor children. The court may waive any of the rights under this section if it finds it is necessary to protect the welfare of a party or child.

Sec. 12. Minnesota Statutes 2010, section 518.1705, subdivision 3, is amended to read:

Subd. 3. **Creating parenting plan; restrictions on creation; alternative.** (a) Upon the request of both parents, a parenting plan must be created in lieu of an order for child custody and parenting time unless the court makes detailed findings that the proposed plan is not in the best interests of the child.

(b) If both parents do not agree to a parenting plan, the court may create one on its own motion, except that the court must not do so if it finds that a parent has committed domestic abuse against a parent or child who is a party to, or subject of, the matter before the court. If the court creates a parenting plan on its own motion, it must not use alternative terminology unless the terminology is agreed to by the parties.

(c) If an existing order does not contain a parenting plan, the parents must not be required to create a parenting plan as part of a modification order under section 518A.39.

(d) A parenting plan must not be required during an action under section 256.87.

(e) If the parents do not agree to a parenting plan and the court does not create one on its own motion, orders for custody and parenting time must be entered under sections ~~518.17 and 518.169 to~~ 518.175 or section 257.541, as applicable.

Sec. 13. Minnesota Statutes 2010, section 518.1705, subdivision 5, is amended to read:

Subd. 5. **Role of court.** If both parents agree to the use of a parenting plan but are unable to agree on all terms, the court may create a parenting plan under this section. If the court is considering a parenting plan, it may require each parent to submit a proposed parenting plan at any time before entry of the final judgment and decree. If parents seek the court's assistance in deciding the schedule for each parent's time with the child or designation of decision-making responsibilities regarding the child, the court may order an evaluation and should consider the appointment of a guardian ad litem. Parenting plans, whether entered on the court's own motion, following a contested hearing, or reviewed by the court pursuant to a stipulation, must be based on ~~the best interests factors in~~ section 518.169, 518.17, or 257.025, as applicable.

Sec. 14. Minnesota Statutes 2010, section 518.1705, subdivision 9, is amended to read:

Subd. 9. **Modification of parenting plans.** (a) Parents may modify the schedule of the time each parent spends with the child or the decision-making provisions of a parenting plan by agreement. To be enforceable, modifications must be confirmed by court order. A motion to modify decision-making provisions or the time each parent spends with the child may be made only within the time limits provided by section 518.18.

(b) The parties may agree, but the court must not require them, to apply the best interests standard in section 518.17 or 257.025, as applicable, or another standard, for deciding a motion for modification that would change the child's primary residence or the physical custodial arrangement for the child, provided that:

(1) both parties were represented by counsel when the parenting plan was approved; or

(2) the court found the parties were fully informed, the agreement was voluntary, and the parties were aware of its implications.

(c) If the parties do not agree to apply the best interests standard or another standard, section 518.18, paragraph (d), applies.

Sec. 15. Minnesota Statutes 2010, section 518.175, subdivision 1, is amended to read:

Subdivision 1. **General.** (a) ~~In all proceedings for dissolution or legal separation, Subject to section 518.169, subsequent to the commencement of the a custody proceeding and continuing thereafter during the minority of the child, the court shall, upon the request of either parent, grant such parenting time on behalf of the child and a parent who does not have temporary or permanent sole or joint physical custody of the child as will enable the child and the parent to maintain a child to parent relationship that will be in the best interests of the child.~~

(b) If the court finds, after a hearing, that parenting time with a parent is likely to endanger the child's physical or emotional health or impair the child's emotional development, the court shall restrict parenting time with that parent as to time, place, duration, or supervision and may deny parenting time entirely, as the circumstances warrant. The court shall consider the age of the child and the child's relationship with the parent prior to the commencement of the proceeding.

(c) A parent's failure to pay support because of the parent's inability to do so shall not be sufficient cause for denial of parenting time.

~~(b)~~ (d) The court may provide that a law enforcement officer or other appropriate person will accompany a party seeking to enforce or comply with parenting time.

~~(c)~~ (e) Upon request of either party, to the extent practicable an order for parenting time must include a specific schedule for parenting time, including the frequency and duration of visitation and visitation during holidays and vacations, unless parenting time is restricted, denied, or reserved.

~~(d)~~ (f) The court administrator shall provide a form for a pro se motion regarding parenting time disputes, which includes provisions for indicating the relief requested, an affidavit in which the party may state the facts of the dispute, and a brief description of the parenting time expeditor process under section 518.1751. The form may not include a request for a change of custody. The court shall provide instructions on serving and filing the motion.

~~(e) In the absence of other evidence, there is a rebuttable presumption that a parent is entitled to receive at least 25 percent of the parenting time for the child. For purposes of this paragraph, the percentage of parenting time may be determined by calculating the number of overnights that a child spends with a parent or by using a method other than overnights if the parent has significant time periods on separate days when the child is in the parent's physical custody but does not stay overnight. The court may consider the age of the child in determining whether a child is with a parent for a significant period of time.~~

**EFFECTIVE DATE.** This section is effective for child custody determinations made on or after January 1, 2012.

Sec. 16. Minnesota Statutes 2010, section 518.179, subdivision 1, is amended to read:

Subdivision 1. **Seeking custody or parenting time.** Notwithstanding any contrary provision in section ~~518.169~~, 518.17<sub>2</sub> or 518.175, if a person seeking child custody or parenting time has been convicted of a crime described in subdivision 2, the person seeking custody or parenting time has the burden to prove that custody or parenting time by that person is in the best interests of the child if:

- (1) the conviction occurred within the preceding five years;
- (2) the person is currently incarcerated, on probation, or under supervised release for the offense; or
- (3) the victim of the crime was a family or household member as defined in section 518B.01, subdivision 2.

If this section applies, the court may not grant custody or parenting time to the person unless it finds that the custody or parenting time is in the best interests of the child. If the victim of the crime was a family or household member, the standard of proof is clear and convincing evidence. A guardian ad litem must be appointed in any case where this section applies.

Sec. 17. Minnesota Statutes 2010, section 518.18, is amended to read:

**518.18 MODIFICATION OF ORDER.**

(a) Unless agreed to in writing by the parties, no motion to modify a custody order or parenting plan may be made earlier than one year after the date of the entry of a decree of dissolution or legal separation containing a provision dealing with custody, except in accordance with paragraph (c).

(b) If a motion for modification has been heard, whether or not it was granted, unless agreed to in writing by the parties no subsequent motion may be filed within two years after disposition of the prior motion on its merits, except in accordance with paragraph (c).

(c) The time limitations prescribed in paragraphs (a) and (b) shall not prohibit a motion to modify a custody order or parenting plan if the court finds that there is persistent and willful denial or interference with parenting time, or has reason to believe that the child's present environment may endanger the child's physical or emotional health or impair the child's emotional development.

(d) If the court has jurisdiction to determine child custody matters, the court shall not modify a prior custody order or a parenting plan provision which specifies the child's primary residence or the physical custodial arrangement for the child unless it finds, upon the basis of facts, including unwarranted denial of, or interference with, a duly established parenting time schedule, that have arisen since the prior order or that were unknown to the court at the time of the prior order, that a change has occurred in the circumstances of the child or the parties and that the modification is necessary to serve the best interests of the child, consistent with sections 518.169 to 518.175. In applying these standards, the court shall retain the custody arrangement or the parenting plan provision specifying the child's primary residence or the physical custodial arrangement for the child that was established by the prior order unless:

(i) the court finds that a change in the custody arrangement or primary residence is ~~in the best interests of the child and the parties~~ consistent with a standard previously agreed to by the parties, in a writing approved by a court; ~~to apply the best interests standard in section 518.17 or 257.025, as applicable~~; and, with respect to agreements approved by a court on or after April 28, 2000, both parties were represented by counsel when the agreement was approved or the court found the parties were fully informed, the agreement was voluntary, and the parties were aware of its implications;

(ii) both parties agree to the modification;

(iii) the child has been integrated into the family of the petitioner with the consent of the other party;

(iv) the child's present environment endangers the child's physical or emotional health or impairs the child's emotional development and the harm likely to be caused by a change of environment is outweighed by the advantage of a change to the child; or

(v) the court has denied a request of ~~the primary custodial~~ a parent with sole or joint physical custody of the child to move the residence of the child to another state, and the ~~primary custodial~~ parent has relocated to another state despite the court's order.

In addition, a court may modify a custody order or parenting plan under section 631.52.

(e) In deciding whether to modify a prior joint custody order, the court shall apply the standards set forth in paragraph (d) unless: (1) the parties agree in writing to the application of a different standard, or (2) the party seeking the modification is asking the court for permission to move the residence of the child to another state.

(f) If a parent has been granted sole physical custody of a minor and the child subsequently lives with the other parent, and temporary sole physical custody has been approved by the court or by a court-appointed referee, the court may suspend the obligor's child support obligation pending the final custody determination. The court's order denying the suspension of child support must include a written explanation of the reasons why continuation of the child support obligation would be in the best interests of the child.

(g) There must be no modification of an existing custody order based on the joint physical custody provisions of section 518.169 until July 1, 2013, unless the child's environment presently endangers the child's physical or emotional health or impairs the child's emotional development.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 18. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall change the headnote for Minnesota Statutes, section 518.175, to read "**OTHER PARENTING TIME PROVISIONS.**"

Sec. 19. **REPEALER.**

Minnesota Statutes 2010, section 518.17, subdivision 2, is repealed.

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

Delete the title and insert:

"A bill for an act relating to family law; changing certain custody and parenting time provisions; amending Minnesota Statutes 2010, sections 257.541; 518.003, subdivision 3; 518.091; 518.131, subdivisions 1, 7; 518.155; 518.156; 518.167, subdivision 2; 518.17, subdivisions 1, 3; 518.1705, subdivisions 3, 5, 9; 518.175, subdivision 1; 518.179, subdivision 1; 518.18; proposing coding for new law in Minnesota Statutes, chapter 518; repealing Minnesota Statutes 2010, section 518.17, subdivision 2."

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

The report was adopted.

Westrom from the Committee on Civil Law to which was referred:

H. F. No. 447, A bill for an act relating to vulnerable adults; modifying provisions governing investigations, reviews, and hearings; making the crime of criminal abuse of a vulnerable adult a registrable offense under the predatory offender registration law; changing terminology; increasing the criminal penalty for assaulting a vulnerable adult; providing criminal penalties; amending Minnesota Statutes 2010, sections 144.7065, subdivision 10; 243.166, subdivision 1b; 256.021; 256.045, subdivision 4; 518.165, subdivision 5; 524.5-118, subdivision 2; 609.2231, by adding a subdivision; 609.224, subdivision 2; 626.557, subdivisions 9, 9a, 9c, 9d, 12b, by adding a subdivision; 626.5571, subdivision 1; 626.5572, subdivision 13.

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

The report was adopted.

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

H. F. No. 467, A bill for an act relating to public safety; directing the commissioner of corrections to implement a gardening program at state correctional facilities; proposing coding for new law in Minnesota Statutes, chapter 241.

Reported the same back with the following amendments:

Page 1, after line 23, insert:

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

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

The report was adopted.

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

H. F. No. 537, A bill for an act relating to traffic regulations; providing that speed in excess of ten miles per hour over speed limit of 60 miles per hour does not go on driver's driving record; amending Minnesota Statutes 2010, section 171.12, subdivision 6.

Reported the same back with the following amendments:

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 2010, section 169.99, subdivision 1b, is amended to read:

Subd. 1b. **Speed.** The uniform traffic ticket must provide a blank or space wherein an officer who issues a citation for a violation of a speed limit of 55 or 60 miles per hour must specify whether the speed was greater than ten miles per hour in excess of ~~a 55 miles per hour speed limit, or more than five miles per hour in excess of a 60 miles per hour~~ the speed limit."

Renumber the sections in sequence

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.



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

H. F. No. 575, A bill for an act relating to education; clarifying requirements governing probationary teacher and principal status; amending Minnesota Statutes 2010, sections 122A.40, subdivisions 5, 11, by adding a subdivision; 122A.41, subdivisions 2, 5a.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2010, section 122A.40, subdivision 5, is amended to read:

Subd. 5. **Probationary period.** (a) The first three consecutive years of a teacher's first teaching experience in Minnesota in a single district is deemed to be a probationary period of employment, and ~~after completion thereof,~~ the probationary period in each district in which the teacher is thereafter employed also shall be one year three consecutive years of teaching experience except that for purposes of this provision, the probationary period for principals and assistant principals shall be two consecutive years. The school board must adopt a plan for written evaluation of teachers during the probationary period. Evaluation must occur at least three times periodically throughout each school year for a teacher performing services on 120 or more school days, at least two times each year for a teacher performing services on 60 to 119 school days, and at least one time each year for a teacher performing services on fewer than 60 school days during that school year. Days devoted to parent-teacher conferences, teachers' workshops, and other staff development opportunities and days on which a teacher is absent from school must not be included in determining the number of school days on which a teacher performs services. Except as otherwise provided in paragraph (b), during the probationary period any annual contract with any teacher may or may not be renewed as the school board shall see fit. However, the board must give any such teacher whose contract it declines to renew for the following school year written notice to that effect before ~~July~~ June 1. If the teacher requests reasons for any nonrenewal of a teaching contract, the board must give the teacher its reason in writing, including a statement that appropriate supervision was furnished describing the nature and the extent of such supervision furnished the teacher during the employment by the board, within ten days after receiving such request. The school board may, after a hearing held upon due notice, discharge a teacher during the probationary period for cause, effective immediately, under section 122A.44.

(b) A board must discharge a probationary teacher, effective immediately, upon receipt of notice under section 122A.20, subdivision 1, paragraph (b), that the teacher's license has been revoked due to a conviction for child abuse or sexual abuse.

(c) A probationary teacher whose first three years of consecutive employment in a district are interrupted for active military service and who promptly resumes teaching consistent with federal reemployment timelines for uniformed service personnel under United States Code, title 38, section 4312(e), is considered to have a consecutive teaching experience for purposes of paragraph (a).

(d) A probationary teacher must complete ~~at least 60~~ 120 days of teaching service each year during the probationary period. Days devoted to parent-teacher conferences, teachers' workshops, and other staff development opportunities and days on which a teacher is absent from school do not count as days of teaching service under this paragraph.

**EFFECTIVE DATE.** This section is effective June 30, 2011, and applies to all probationary teacher employment contracts ratified or modified after that date.

Sec. 2. Minnesota Statutes 2010, section 122A.40, is amended by adding a subdivision to read:

**Subd. 8a. Probationary period for principals hired internally.** A probationary period of two school years is required for a licensed teacher employed by the board who is subsequently employed by the board as a licensed school principal or assistant principal and an additional probationary period of two years is required for a licensed assistant principal employed by the board who is subsequently employed by the board as a licensed principal. A licensed teacher subsequently employed by the board as a licensed school principal or assistant principal retains the teacher's continuing contract status as a licensed teacher during the probationary period under this subdivision and has the right to return to his or her previous position or an equivalent position, if available, if the teacher is not promoted.

**EFFECTIVE DATE.** This section is effective June 30, 2011, and applies to all contracts for internally hired licensed school principals and assistant principals ratified or modified after that date.

Sec. 3. Minnesota Statutes 2010, section 122A.40, subdivision 11, is amended to read:

**Subd. 11. Unrequested leave of absence.** (a) The board may place on unrequested leave of absence, without pay or fringe benefits, as many teachers as may be necessary because of discontinuance of position, lack of pupils, financial limitations, or merger of classes caused by consolidation of districts. The unrequested leave is effective at the close of the school year. In placing teachers on unrequested leave, the board may exempt from the effects of paragraphs (b) to (g) those teachers who teach in a Montessori or a language immersion program, provide instruction in an advanced placement course, or hold a kindergarten through grade 12 instrumental vocal classroom music license and currently serve as a choir, band or orchestra director and who, in the superintendent's judgment, meet a unique need in delivering curriculum. However, within the Montessori or language immersion program, a teacher must be placed on unrequested leave of absence consistent with paragraph (c). The board is governed by the following provisions: of paragraphs (b) to (g), consistent with this paragraph.

~~(a)~~ (b) The board may place probationary teachers on unrequested leave first in the inverse order of their employment. A teacher who has acquired continuing contract rights must not be placed on unrequested leave of absence while probationary teachers are retained in positions for which the teacher who has acquired continuing contract rights is licensed.

~~(b)~~ (c) Teachers who have acquired continuing contract rights shall be placed on unrequested leave of absence in fields in which they are licensed in the inverse order in which they were employed by the school district. In the case of equal seniority, the order in which teachers who have acquired continuing contract rights shall be placed on unrequested leave of absence in fields in which they are licensed is negotiable.

~~(c)~~ (d) Notwithstanding the provisions of ~~clause (b)~~ paragraph (c), a teacher is not entitled to exercise any seniority when that exercise results in that teacher being retained by the district in a field for which the teacher holds only a provisional license, as defined by the board of teaching, unless that exercise of seniority results in the placement on unrequested leave of absence of another teacher who also holds a provisional license in the same field. The provisions of this clause do not apply to vocational education licenses.

~~(d)~~ (e) Notwithstanding ~~clauses (a), (b) and (c)~~ paragraphs (b), (c), and (d), if the placing of a probationary teacher on unrequested leave before a teacher who has acquired continuing rights, the placing of a teacher who has acquired continuing contract rights on unrequested leave before another teacher who has acquired continuing contract rights but who has greater seniority, or the restriction imposed by the provisions of ~~clause (c)~~ paragraph (d) would place the district in violation of its affirmative action program, the district may retain the probationary teacher, the teacher with less seniority, or the provisionally licensed teacher.

~~(e)~~ (f) Teachers placed on unrequested leave of absence must be reinstated to the positions from which they have been given leaves of absence or, if not available, to other available positions in the school district in fields in which they are licensed. Reinstatement must be in the inverse order of placement on leave of absence. A teacher must not be reinstated to a position in a field in which the teacher holds only a provisional license, other than a vocational education license, while another teacher who holds a nonprovisional license in the same field remains on unrequested leave. The order of reinstatement of teachers who have equal seniority and who are placed on unrequested leave in the same school year is negotiable.

~~(g)~~ (g) Appointment of a new teacher must not be made while there is available, on unrequested leave, a teacher who is properly licensed to fill such vacancy, unless the teacher fails to advise the school board within 30 days of the date of notification that a position is available to that teacher who may return to employment and assume the duties of the position to which appointed on a future date determined by the board.

~~(g)~~ (h) A teacher placed on unrequested leave of absence may engage in teaching or any other occupation during the period of this leave.

~~(h)~~ (i) The unrequested leave of absence must not impair the continuing contract rights of a teacher or result in a loss of credit for previous years of service.

~~(i)~~ (j) The unrequested leave of absence of a teacher who is placed on unrequested leave of absence and who is not reinstated shall continue for a period of five years, after which the right to reinstatement shall terminate. The teacher's right to reinstatement shall also terminate if the teacher fails to file with the board by April 1 of any year a written statement requesting reinstatement.

~~(j)~~ (k) The same provisions applicable to terminations of probationary or continuing contracts in subdivisions 5 and 7 must apply to placement on unrequested leave of absence.

~~(k)~~ (l) Nothing in this subdivision shall be construed to impair the rights of teachers placed on unrequested leave of absence to receive unemployment benefits if otherwise eligible.

**EFFECTIVE DATE.** This section is effective June 30, 2011, and applies to all collective bargaining agreements ratified or modified after that date.

Sec. 4. Minnesota Statutes 2010, section 122A.41, subdivision 1, is amended to read:

Subdivision 1. **Words, terms, and phrases.** Unless the language or context clearly indicates that a different meaning is intended, the following words, terms, and phrases, for the purposes of the following subdivisions in this section shall be defined as follows:

(a) **Teachers.** The term "teacher" includes every person regularly employed, as a principal, or to give instruction in a classroom, or to superintend or supervise classroom instruction, or as placement teacher and visiting teacher. Persons regularly employed as counselors and school librarians shall be covered by these sections as teachers if licensed as teachers or as school librarians.

(b) **School board.** The term "school board" includes a majority in membership of any and all boards or official bodies having the care, management, or control over public schools.

(c) **Demote.** The word "demote" means to reduce ~~in rank or to transfer to a lower branch of the service or to a position carrying a lower salary or~~ the compensation a person actually receives in the new position.

(d) **Nonprovisional license.** For purposes of this section, "nonprovisional license" shall mean an entrance, continuing, or life license.

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

Sec. 5. Minnesota Statutes 2010, section 122A.41, subdivision 2, is amended to read:

Subd. 2. **Probationary period; discharge or demotion.** (a) All teachers in the public schools in cities of the first class during the first three years of consecutive employment shall be deemed to be in a probationary period of employment during which period any annual contract with any teacher may, or may not, be renewed as the school board, after consulting with the peer review committee charged with evaluating the probationary teachers under

subdivision 3, shall see fit. The school site management team or the school board if there is no school site management team, shall adopt a plan for a written evaluation of teachers during the probationary period according to subdivision 3. Evaluation by the peer review committee charged with evaluating probationary teachers under subdivision 3 shall occur at least three times periodically throughout each school year ~~for a teacher performing services on 120 or more school days, at least two times each year for a teacher performing services on 60 to 119 school days, and at least one time each year for a teacher performing services on fewer than 60 school days.~~ Days devoted to parent-teacher conferences, teachers' workshops, and other staff development opportunities and days on which a teacher is absent from school shall not be included in determining the number of school days on which a teacher performs services. The school board may, during such probationary period, discharge or demote a teacher for any of the causes as specified in this code. A written statement of the cause of such discharge or demotion shall be given to the teacher by the school board at least 30 days before such removal or demotion shall become effective, and the teacher so notified shall have no right of appeal therefrom.

(b) A probationary teacher whose first three years of consecutive employment are interrupted for active military service and who promptly resumes teaching consistent with federal reemployment timelines for uniformed service personnel under United States Code, title 38, section 4312(e), is considered to have a consecutive teaching experience for purposes of paragraph (a).

(c) A probationary teacher must complete ~~at least 60~~ 120 days of teaching service each year during the probationary period. Days devoted to parent-teacher conferences, teachers' workshops, and other staff development opportunities and days on which a teacher is absent from school do not count as days of teaching service under this paragraph.

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

Sec. 6. Minnesota Statutes 2010, section 122A.41, subdivision 5a, is amended to read:

Subd. 5a. **Probationary period for principals hired internally.** ~~A board and the exclusive representative of the school principals in the district may negotiate a plan for a~~ probationary period of ~~up to~~ two school years is required for licensed teachers employed by the board who are subsequently employed by the board as a licensed school principal or assistant principal and an additional probationary period of ~~up to~~ two years is required for licensed assistant principals employed by the board who are subsequently employed by the board as a licensed school principal. A licensed teacher subsequently employed by the board as a licensed school principal or assistant principal retains his or her continuing contract status as a licensed teacher during the probationary period under this subdivision and has the right to return to his or her previous position or an equivalent position, if available, if the teacher is not promoted.

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

Sec. 7. Minnesota Statutes 2010, section 122A.41, subdivision 10, is amended to read:

Subd. 10. **Decision, when rendered.** The hearing must be concluded and a decision in writing, stating the grounds on which it is based, rendered within 25 days after giving of such notice. Where the hearing is before a school board the teacher may be discharged or demoted upon the affirmative vote of a majority of the members of the board. If the charges, or any of such, are found to be true, the board conducting the hearing must discharge, demote, or suspend the teacher, as seems to be for the best interest of the school. ~~A teacher must not be discharged for either of the causes specified in subdivision 6, clause (3), except during the school year, and then only upon charges filed at least four months before the close of the school sessions of such school year.~~

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

Sec. 8. Minnesota Statutes 2010, section 122A.41, subdivision 14, is amended to read:

Subd. 14. **Services terminated by discontinuance or lack of pupils; preference given.** (a) ~~A teacher whose services are terminated on account of discontinuance of position or lack of pupils must receive first consideration for other positions in the district for which that teacher is qualified.~~ In the event it becomes necessary to discontinue one or more positions, in making such discontinuance, teachers must receive first consideration for other positions in the district for which that teacher is qualified and must be discontinued in any department in the inverse order in which they were employed, unless a board and the exclusive representative of teachers in the district negotiate a plan providing otherwise.

(b) The board may exempt from the effects of paragraph (a) those teachers who teach in a Montessori or a language immersion program or provide instruction in an advanced placement course and who, in the superintendent's judgment, meet a unique need in delivering curriculum. However, within the Montessori or language immersion program, a teacher shall be discontinued based on the inverse order in which the teacher was employed.

~~(b)~~ (c) Notwithstanding the provisions of ~~clause paragraph~~ (a), a teacher is not entitled to exercise any seniority when that exercise results in that teacher being retained by the district in a field for which the teacher holds only a provisional license, as defined by the Board of Teaching, unless that exercise of seniority results in the termination of services, on account of discontinuance of position or lack of pupils, of another teacher who also holds a provisional license in the same field. The provisions of this ~~clause paragraph~~ do not apply to vocational education licenses.

~~(c)~~ (d) Notwithstanding the provisions of ~~clause paragraph~~ (a), a teacher must not be reinstated to a position in a field in which the teacher holds only a provisional license, other than a vocational education license, while another teacher who holds a nonprovisional license in the same field is available for reinstatement."

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

Gunther from the Committee on Jobs and Economic Development Finance to which was referred:

H. F. No. 611, A bill for an act relating to economic development; creating a small business loan guarantee program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116J.

Reported the same back with the following amendments:

Page 4, line 4, before "The" insert "Subject to the availability of funds under subdivision 4."

Page 4, delete section 2

Amend the title as follows:

Page 1, line 3, delete "appropriating money;"

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

The report was adopted.

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

H. F. No. 615, A bill for an act relating to drivers' licenses; modifying driver education requirements for obtaining an instruction permit; amending Minnesota Statutes 2010, section 171.05, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2010, section 171.05, subdivision 2, is amended to read:

Subd. 2. **Person less than 18 years of age.** (a) Notwithstanding any provision in subdivision 1 to the contrary, the department may issue an instruction permit to an applicant who is 15, 16, or 17 years of age and who:

(1) has completed a course of driver education in another state, has a previously issued valid license from another state, or ~~is enrolled in either:~~

(i) the applicant is enrolled in behind-the-wheel training in a public, private, or commercial driver education program that is approved by the commissioner of public safety; and

(ii) the applicant:

(A) has completed the classroom phase of instruction in a public, private, or commercial driver education program that is approved by the commissioner of public safety ~~and that includes classroom and behind the wheel training; or~~

(ii) ~~an approved behind the wheel driver education program;~~

(B) has completed home school driver training, when the student is receiving full-time instruction in a home school within the meaning of sections 120A.22 and 120A.24, the student is working toward a ~~homeschool~~ home school diploma, the student's status as a ~~homeschool~~ home school student has been certified by the superintendent of the school district in which the student resides, and the ~~student is taking home classroom driver training with classroom materials~~ are approved by the commissioner of public safety; ~~or~~

(C) has completed an Internet-based theory driver education program that is approved by the commissioner of public safety;

~~(2) has completed the classroom phase of instruction in the driver education program;~~

~~(3)~~ (2) has passed a test of the applicant's eyesight;

~~(4)~~ (3) has passed a department-administered test of the applicant's knowledge of traffic laws;

~~(5)~~ (4) has completed the required application, which must be approved by (i) either parent when both reside in the same household as the minor applicant or, if otherwise, then (ii) the parent or spouse of the parent having custody or, in the event there is no court order for custody, then (iii) the parent or spouse of the parent with whom the minor is living or, if items (i) to (iii) do not apply, then (iv) the guardian having custody of the minor, (v) the foster parent or the director of the transitional living program in which the child resides or, in the event a person under the age of 18 has no living father, mother, or guardian, or is married or otherwise legally emancipated, then (vi) the applicant's adult spouse, adult close family member, or adult employer; provided, that the approval required by this clause contains a verification of the age of the applicant and the identity of the parent, guardian, adult spouse, adult close family member, or adult employer; and

~~(6)~~ (5) has paid the fee required in section 171.06, subdivision 2.

(b) The instruction permit is valid for two years from the date of application and may be renewed upon payment of a fee equal to the fee for issuance of an instruction permit under section 171.06, subdivision 2.

(c) A provider of an Internet-based theory driver education program approved by the commissioner shall issue a certificate of completion to each person who successfully completes the program. The commissioner shall furnish numbered certificate forms to approved providers who shall pay the commissioner a fee of \$2 for each certificate. The commissioner shall deposit proceeds of the fee in the driver services operating account in the special revenue fund. The commissioner shall terminate the fee when the department has fully recovered its costs to implement Internet driver education under this section."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Public Safety and Crime Prevention Policy and Finance.

The report was adopted.

Gunther from the Committee on Jobs and Economic Development Finance to which was referred:

H. F. No. 632, A bill for an act relating to labor and industry; licensing maintenance plumbers in certain cases; modifying fees; amending Minnesota Statutes 2010, sections 326B.42, subdivision 2, by adding a subdivision; 326B.435, subdivision 2; 326B.46, subdivisions 1, 1a; 326B.47, subdivision 1, by adding a subdivision; 326B.49, subdivision 1.

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

The report was adopted.

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

H. F. No. 721, A bill for an act relating to traffic regulations; modifying provisions relating to disability parking; amending Minnesota Statutes 2010, sections 169.345, subdivision 1; 169.346, subdivision 3.

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

The report was adopted.

Peppin from the Committee on Government Operations and Elections to which was referred:

H. F. No. 745, A bill for an act relating to health; creating an Autism Spectrum Disorder Task Force; providing appointments; requiring development of a statewide strategic plan.

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

The report was adopted.

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

H. F. No. 795, A bill for an act relating to child support; instructing the commissioner to initiate a foreign reciprocal agreement.

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

The report was adopted.

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

H. F. No. 905, A bill for an act relating to health; establishing policies for youth athletes with concussions resulting from participation in youth athletic activities; amending Minnesota Statutes 2010, section 128C.02, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 121A.

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

The report was adopted.

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

H. F. No. 912, A bill for an act relating to human services; providing a requirement for special family day care homes; amending Minnesota Statutes 2010, section 245A.14, subdivision 4.

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

The report was adopted.

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

H. F. No. 921, A bill for an act relating to crime; clarifying targeted misdemeanors to include no contact order misdemeanor violations for the purpose of requiring fingerprinting; amending Minnesota Statutes 2010, section 299C.10, subdivision 1.

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

The report was adopted.

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

H. F. No. 922, A bill for an act relating to motor vehicles; allowing collector emergency vehicles to display and use nonconforming colored lights; amending Minnesota Statutes 2010, section 169.64, subdivision 2.

Reported the same back with the following amendments:

Page 1, line 13, after "general" insert "transportation"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Public Safety and Crime Prevention Policy and Finance.

The report was adopted.



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

H. F. No. 928, A bill for an act relating to human services; clarifying the additional local share of certain publicly owned nursing facility costs; clarifying a publicly owned nursing facility payment rate; amending Minnesota Statutes 2010, sections 256B.19, subdivision 1e; 256B.441, subdivision 55a.

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

The report was adopted.

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

H. F. No. 979, A bill for an act relating to human services; requiring the commissioner to analyze the establishment of uniform asset limits across human services assistance programs.

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

The report was adopted.

Westrom from the Committee on Civil Law to which was referred:

H. F. No. 997, A bill for an act relating to civil actions; regulating the imposition of certain civil penalties by state agencies; awarding fees and expenses to prevailing parties in certain actions involving state agencies and municipalities; amending Minnesota Statutes 2010, sections 15.471, subdivision 6, by adding a subdivision; 15.472; proposing coding for new law in Minnesota Statutes, chapters 15; 471.

Reported the same back with the following amendments:

Page 2, line 6, after "justice" insert "or other law"

Page 6, line 1, delete "an agency" and insert "a municipality's"

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

The report was adopted.

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

H. F. No. 1032, A bill for an act relating to employment; modifying certain prevailing hours of labor requirements; amending Minnesota Statutes 2010, section 177.42, subdivision 4.

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

The report was adopted.

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

H. F. No. 1087, A bill for an act relating to nursing; requiring a criminal history record check; appropriating money; amending Minnesota Statutes 2010, section 364.09; proposing coding for new law in Minnesota Statutes, chapter 148.

Reported the same back with the following amendments:

Page 2, line 4, after the second "BCA" insert "shall perform a check for state criminal justice information and"

Page 2, after line 16, insert:

**"Subd. 8. Opportunity to challenge accuracy of report. Prior to taking disciplinary action against an applicant based on a criminal conviction, the board shall provide the applicant with the opportunity to complete, or challenge the accuracy of, the criminal justice information reported to the board. The applicant shall have 30 calendar days to correct or complete the record prior to the board taking disciplinary action based on the report."**

Page 3, line 7, delete "617.246" and insert "617.247"

Page 3, line 33, after "(39)" insert "felony"

Page 3, line 34, after "(40)" insert "felony"

Page 4, line 1, after "(42)" insert "felony"

Page 4, line 2, after "(43)" insert "felony"

Page 4, line 5, after "(46)" insert "felony"

Page 4, line 7, after "(48)" insert "felony"

Page 4, line 10, after "(51)" insert "felony"

Page 4, lines 24, 26, and 34, delete "8" and insert "9"

Page 4, line 29, delete everything after "(a)"

Page 4, delete lines 30 to 32

Page 4, line 33, delete "(b)"

Page 4, line 35, delete "except as provided in paragraph (a)."

Page 5, line 1, delete "(c)" and insert "(b)"

Page 5, line 2, delete "8" and insert "9"

Page 5, line 6, delete "(d)" and insert "(c)"

Page 5, line 22, delete "(e)" and insert "(d)"

Page 5, line 25, delete "confidential" and insert "private"

Page 5, line 26, delete "3" and insert "12"

Renumber the subdivisions in sequence and correct the internal references

With the recommendation that when so amended the bill be re-referred to the Committee on Civil Law without further recommendation.

The report was adopted.

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

H. F. No. 1109, A bill for an act relating to public safety; clarifying and conforming provisions regarding driver's license revocation periods for DWI convictions; amending Minnesota Statutes 2010, sections 169A.54, subdivisions 1, 6; 171.30, subdivision 1; 171.306, subdivision 4; repealing Minnesota Statutes 2010, section 169A.54, subdivision 5.

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

The report was adopted.

Peppin from the Committee on Government Operations and Elections to which was referred:

H. F. No. 1117, A bill for an act relating to state government; changing bond requirements for state depositories; amending Minnesota Statutes 2010, section 9.031, subdivisions 2, 5.

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

The report was adopted.

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

H. F. No. 1134, A bill for an act relating to insurance; regulating annuity products; enacting a model regulation adopted by the National Association of Insurance Commissioners relating to suitability in annuity transactions; amending Minnesota Statutes 2010, sections 60K.46, subdivision 4; 72A.20, subdivision 34; proposing coding for new law in Minnesota Statutes, chapter 72A.

Reported the same back with the following amendments:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 2010, section 60A.06, subdivision 3, is amended to read:

Subd. 3. **Limitation on combination policies.** (a) Unless specifically authorized by subdivision 1, clause (4), it is unlawful to combine in one policy coverage permitted by subdivision 1, clauses (4) and (5)(a). This subdivision does not prohibit the simultaneous sale of these products, but the sale must involve two separate and distinct policies.

(b) This subdivision does not apply to group policies.

(c) This subdivision does not apply to policies permitted by subdivision 1, clause (4), that contain benefits providing acceleration of life, endowment, or annuity benefits in advance of the time they would otherwise be payable, or to long-term care policies as defined in section 62A.46, subdivision 2, or chapter 62S.

(d) This subdivision does not prohibit combining life coverage with one or more of the following coverages:

(1) specified disease or illness coverage;

(2) other limited benefit health coverage;

(3) hospital indemnity coverage;

(4) other fixed indemnity products.

provided that the prescribed minimum standards applicable to those categories of coverage are met."

Page 3, delete lines 17 to 28 and insert:

"Subd. 9. **Replacement.** "Replacement" has the meaning given in section 61A.53, subdivision 2."

Page 7, delete section 6 and insert:

"Sec. 7. **[72A.2033] INSURANCE PRODUCER TRAINING.**

Subdivision 1. **Requirement.** An insurance producer shall not solicit the sale of an annuity product unless the insurance producer has adequate knowledge of the product to recommend the annuity and the insurance producer is in compliance with the insurer's standards for product training. An insurance producer may rely on insurer-provided product-specific training standards and materials to comply with this subdivision.

Subd. 2. **Initial training.** (a) An insurance producer who engages in the sale of annuity products shall complete a onetime four-credit training course approved by the commissioner and provided by a continuing education provider approved by the commissioner.

Insurance producers who hold a life insurance line of authority on the effective date of sections 72A.203 to 72A.2036 and who desire to sell annuities shall complete the requirements of this subdivision no later than six months after January 1, 2012. Individuals who obtain a life insurance line of authority on or after January 1, 2012, may not engage in the sale of annuities until the annuity training course required under this subdivision has been completed. Producers licensed on or after January 1, 2012, have until June 30, 2012, to complete the course.

(b) The length of the training required under this subdivision must be four continuing education hours.

(c) The training required under this subdivision must include information on the following topics:

(1) the types of annuities and various classifications of annuities;

(2) identification of the parties to an annuity;

(3) how fixed, variable, and indexed annuity contract provisions affect consumers;

(4) the application of income taxation of qualified and nonqualified annuities;

(5) the primary uses of annuities; and

(6) appropriate sales practices, replacement, and disclosure requirements.

(d) Providers of courses intended to comply with this subdivision shall cover all topics listed in the prescribed outline and shall not present any marketing information or provide training on sales techniques or provide specific information about a particular insurer's products.

(e) A provider of an annuity training course intended to comply with this subdivision must be an approved continuing education provider in this state and comply with the requirements applicable to insurance producer continuing education courses.

(f) Annuity training courses may be conducted and completed by classroom or self-study methods in accordance with chapter 45. In order to assist compliance with this section, all courses approved by the commissioner for the purposes of this section shall be given the course title "Annuity Suitability and Disclosure." Only courses satisfying the requirements of this section shall use this course title after the effective date of this section.

(g) Providers of annuity training shall comply with the course completion reporting requirements of chapter 45.

(h) The satisfaction of the training requirements of another state that are substantially similar to the provisions of this subdivision satisfies the training requirements of this subdivision in this state, but does not satisfy any of the continuing education requirements of chapter 60K unless the training requirements of the other state are satisfied through one or more continuing education courses approved by the commissioner.

(i) An insurer shall verify that an insurance producer has completed the annuity training course required under this subdivision before allowing the producer to sell an annuity product for that insurer. An insurer may satisfy its responsibility under this subdivision by obtaining certificates of completion of the training course or obtaining reports provided by commissioner-sponsored database systems or vendors or from a reasonably reliable commercial database vendor that has a reporting arrangement with approved insurance education providers. If such data collection and reporting arrangements are not in place, an insurer must maintain records verifying that the producer has completed the annuity training course required under this subdivision and make the records available to the commissioner upon request."

Page 9, delete section 7

Page 9, line 19, delete ". general agents, independent agencies."

Page 9, line 22, delete "three" and insert "ten"

Page 9, delete section 9

Renumber the sections in sequence

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

Peppin from the Committee on Government Operations and Elections to which was referred:

H. F. No. 1152, A bill for an act relating to commerce; regulating return of pledged goods and location restrictions of pawnbrokers; amending Minnesota Statutes 2010, sections 325J.08; 325J.10; 325J.13.

Reported the same back with the following amendments:

Page 2, line 13, delete "the pledged"

Page 2, line 14, delete the first "goods"

Page 2, line 23, after "325J.08" insert ". clauses (7) and (10)"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1162, A bill for an act relating to natural resources; modifying nonnative species provisions; modifying requirements for permits to control or harvest aquatic plants; providing criminal penalties and civil penalties; amending Minnesota Statutes 2010, sections 84D.01, subdivisions 8a, 16, 21, by adding subdivisions; 84D.02, subdivision 6; 84D.03, subdivisions 3, 4; 84D.09; 84D.10, subdivisions 1, 3, 4; 84D.11, subdivision 2a; 84D.13, subdivisions 3, 4, 5, 6, 7; 84D.15, subdivision 2; 103G.615, subdivision 1, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 84D; 86B; repealing Minnesota Statutes 2010, section 84D.02, subdivision 4.

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

The report was adopted.

Gunther from the Committee on Jobs and Economic Development Finance to which was referred:

H. F. No. 1170, A bill for an act relating to employment; modifying worker classification regulation, penalties, and fees; authorizing rulemaking; amending Minnesota Statutes 2010, sections 181.723; 326B.081, subdivision 3; repealing Minnesota Statutes 2010, section 181.723, subdivision 17; Minnesota Rules, parts 5202.0100; 5202.0110; 5202.0120; 5202.0130; 5202.0140; 5202.0150; 5202.0160.

Reported the same back with the following amendments:

Page 4, line 16, delete "\$....." and insert "\$2,000"

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

The report was adopted.

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

H. F. No. 1185, A bill for an act relating to health; adjusting contracting procedures between health care providers and health plan companies; amending Minnesota Statutes 2010, sections 62Q.735, subdivision 5; 62Q.75, subdivision 3.

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

The report was adopted.

Westrom from the Committee on Civil Law to which was referred:

H. F. No. 1198, A bill for an act relating to families; updating the Uniform Interstate Family Support Act; amending Minnesota Statutes 2010, sections 518C.101; 518C.102; 518C.103; 518C.201; 518C.202; 518C.203; 518C.204; 518C.205; 518C.206; 518C.207; 518C.208; 518C.209; 518C.301; 518C.303; 518C.304; 518C.305; 518C.306; 518C.307; 518C.308; 518C.310; 518C.311; 518C.312; 518C.313; 518C.314; 518C.316; 518C.317; 518C.318; 518C.319; 518C.401; 518C.501; 518C.503; 518C.504; 518C.505; 518C.506; 518C.508; 518C.601; 518C.602; 518C.603; 518C.604; 518C.605; 518C.606; 518C.607; 518C.608; 518C.609; 518C.610; 518C.611; 518C.612; 518C.613; 518C.701; 518C.801; 518C.902; proposing coding for new law in Minnesota Statutes, chapter 518C; repealing Minnesota Statutes 2010, section 518C.502.

Reported the same back with the following amendments:

Page 8, line 23, delete "the Uniform Interstate Family Support Act" and insert "this chapter"

Page 8, line 24, delete "that act" and insert "this chapter"

Page 9, line 15, delete "the Uniform Interstate"

Page 9, line 16, delete "Family Support Act" and insert "this chapter or a law substantially similar to this chapter"

Page 13, line 4, after "state" insert "or a foreign country"

Page 13, line 17, strike "three copies of"

Page 13, line 23, strike everything after "If"

Page 13, line 24, strike everything before the comma and insert "requested by the responding tribunal" and strike "may" and insert "shall"

Page 13, line 26, strike "state" and insert "tribunal" and strike "may" and insert "shall"

Page 14, line 17, delete "e-mail" and insert "electronic mail"

Page 15, line 19, strike "a written" and after "notice" insert "in a record"

Page 15, line 22, strike "a written" and after "communication" insert "in a record"

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

The report was adopted.

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

H. F. No. 1234, A bill for an act relating to state government; requiring the commissioner of administration to issue a request for proposals and enter into a contract for strategic sourcing consulting services.

Reported the same back with the following amendments:

Page 2, line 4, delete "shall" and insert "may"

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

The report was adopted.

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

H. F. No. 1270, A bill for an act relating to public safety; expanding e-charging to include citations, juvenile adjudication, and implied consent test refusal or failure; amending Minnesota Statutes 2010, section 299C.41, subdivision 1.

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

The report was adopted.

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

H. F. No. 1284, A bill for an act relating to railroads; exempting train crews from requirement for driver's license; amending Minnesota Statutes 2010, section 171.03.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2010, section 171.03, is amended to read:

**171.03 PERSONS EXEMPT.**

The following persons are exempt from license hereunder:

(a) A person in the employ or service of the United States federal government is exempt while driving or operating a motor vehicle owned by or leased to the United States federal government.

(b) A person in the employ or service of the United States federal government is exempt from the requirement to possess a valid class A, class B, or class C commercial driver's license while driving or operating for military purposes a commercial motor vehicle for the United States federal government if the person is:

(1) on active duty in the U.S. Coast Guard;

(2) on active duty in a branch of the U.S. armed forces, which includes the Army, Air Force, Navy, and Marine Corps;



(3) a member of a reserve component of the U.S. armed forces; or

(4) on active duty in the Army National Guard or Air National Guard, which includes (i) a member on full-time National Guard duty, (ii) a member undergoing part-time National Guard training, and (iii) a National Guard military technician, who is a civilian required to wear a military uniform.

The exemption provided under this paragraph does not apply to a U.S. armed forces reserve technician.

(c) Any person while driving or operating any farm tractor or implement of husbandry temporarily on a highway is exempt. For purposes of this section, an all-terrain vehicle, as defined in section 84.92, subdivision 8, an off-highway motorcycle, as defined in section 84.787, subdivision 7, and an off-road vehicle, as defined in section 84.797, subdivision 7, are not implements of husbandry.

(d) A nonresident who is at least 15 years of age and who has in immediate possession a valid driver's license issued to the nonresident in the home state or country may operate a motor vehicle in this state only as a driver.

(e) A nonresident who has in immediate possession a valid commercial driver's license issued by a state or jurisdiction in accordance with the standards of Code of Federal Regulations, title 49, part 383, and who is operating in Minnesota the class of commercial motor vehicle authorized by the issuing state or jurisdiction is exempt.

(f) Any nonresident who is at least 18 years of age, whose home state or country does not require the licensing of drivers may operate a motor vehicle as a driver, but only for a period of not more than 90 days in any calendar year, if the motor vehicle so operated is duly registered for the current calendar year in the home state or country of the nonresident.

(g) Any person who becomes a resident of the state of Minnesota and who has in possession a valid driver's license issued to the person under and pursuant to the laws of some other state or jurisdiction or by military authorities of the United States may operate a motor vehicle as a driver, but only for a period of not more than 60 days after becoming a resident of this state, without being required to have a Minnesota driver's license as provided in this chapter.

(h) Any person who becomes a resident of the state of Minnesota and who has in possession a valid commercial driver's license issued by another state or jurisdiction in accordance with the standards of Code of Federal Regulations, title 49, part 383, is exempt for not more than 30 days after becoming a resident of this state.

(i) Any person operating a snowmobile, as defined in section 84.81, is exempt.

(j) A railroad operator, as defined in section 169.035, subdivision 4, paragraph (a), is exempt while operating a railroad locomotive or train, or on-track equipment while being operated upon rails. This exemption includes operation while crossing a street or highway, whether public or private.

Sec. 2. Minnesota Statutes 2010, section 169.035, is amended by adding a subdivision to read:

Subd. 4. **Trains.** (a) For purposes of this subdivision, "railroad operator" means a person who is a locomotive engineer, conductor, member of the crew of a railroad locomotive or train, or an operator of on-track equipment.

(b) A peace officer may not issue a citation for violation of this chapter or chapter 171 to a railroad operator involving the operation of a railroad locomotive or train, or on-track equipment while being operated upon rails.

(c) Notwithstanding section 171.08, a railroad operator is not required to display or furnish a driver's license to a peace officer in connection with the operation of a railroad locomotive or train, or on-track equipment while being operated upon rails."

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1286, A bill for an act relating to administration; appropriating money for a structural risk assessment of the Capitol site.

Reported the same back with the following amendments:

Page 1, line 6, delete "\$300,000 is appropriated from the general fund to"

Page 1, line 7, delete "for the biennium ending June 30, 2013, to" and insert "must"

Page 1, line 10, delete "December 15" and insert "August 1"

Amend the title as follows:

Page 1, line 2, delete "appropriating money for" and insert "requiring"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1289, A bill for an act relating to traffic regulations; modifying provision authorizing use of highway shoulder by buses; amending Minnesota Statutes 2010, section 169.306.

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

The report was adopted.

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

H. F. No. 1339, A bill for an act relating to human services; establishing the My Life, My Choices Task Force.

Reported the same back with the following amendments:

Page 1, line 11, delete "partner" and insert "advocate"

Page 1, line 24, after the period, insert "Appointed nongovernmental members of the task force shall serve as staff for the task force and take on the responsibilities of coordinating meetings, reporting on committee recommendations, and providing other staff support as needed to meet the responsibilities of the task force as described in subdivision 3. Legislative appointment of nongovernmental members of the task force shall be conditioned upon agreement from the appointees to provide staff assistance to execute the work of the task force."

Page 2, line 12, delete the new language

Page 2, line 14, after the period, insert "The task force shall be independently staffed and coordinated by the nongovernmental appointees who serve on the task force, and no state funding shall be appropriated for expenses related to the task force under this section."

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

The report was adopted.

Westrom from the Committee on Civil Law to which was referred:

H. F. No. 1343, A bill for an act relating to civil actions; providing immunity in certain cases involving the use of school facilities for recreational activities; amending Minnesota Statutes 2010, section 466.03, subdivision 6e, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, delete section 2 and insert:

"Sec. 2. Minnesota Statutes 2010, section 466.03, is amended by adding a subdivision to read:

Subd. 23. **Recreational use of school property and facilities.** (a) Any claim for a loss or injury occurring while school is not in session arising from the use of school property or a school facility, including but not limited to a playground, sports field, gym, fitness room, pool, or any other indoor or outdoor area made available to the public for recreational activity.

(b) Nothing in this subdivision:

(1) limits the liability of a school district for conduct by the district or an officer, employee, or agent of the district that would entitle a trespasser to damages against a private person; or

(2) reduces any existing duty owed by the school district to students, staff, or other individuals authorized to be present on school property while school is in session."

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

The report was adopted.

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

H. F. No. 1348, A bill for an act relating to railroads; exempting certain railroad property from storm sewer or storm water utility assessments, levies, or charges; amending Minnesota Statutes 2010, sections 444.075, by adding a subdivision; 444.20; proposing coding for new law in Minnesota Statutes, chapter 429.

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

The report was adopted.

Gunther from the Committee on Jobs and Economic Development Finance to which was referred:

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

Reported the same back with the following amendments:

Page 9, after line 31, insert:

"Sec. 18. **ONETIME APPROPRIATION FOR CASE MANAGEMENT SYSTEM.**

The commissioner shall appropriate a sum, not to exceed \$600,000 from the special compensation fund for the purposes of implementing a case management system and electronic filing system at the Office of Administrative Hearings. This is a onetime appropriation. Authority to disburse these funds is granted to the chief administrative law judge of the Office of Administrative Hearings."

Page 10, line 5, delete everything after "to" and insert "19 are effective August 1, 2011."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the second semicolon, insert "appropriating money;"

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

The report was adopted.

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

H. F. No. 1370, A bill for an act relating to data practices; permitting sharing of law enforcement data in certain circumstances; amending Minnesota Statutes 2010, sections 13.82, by adding a subdivision; 13.84, by adding subdivisions.

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

The report was adopted.

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

H. F. No. 1373, A bill for an act relating to health; extending the Maternal and Child Health Advisory Task Force; amending Minnesota Statutes 2010, section 145.881, subdivision 1.

Reported the same back with the following amendments:

Page 1, line 15, delete "2021" and insert "2015"

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

The report was adopted.

Gunther from the Committee on Jobs and Economic Development Finance to which was referred:

H. F. No. 1396, A bill for an act relating to unemployment insurance; modifying unemployment insurance and workforce development provisions; amending Minnesota Statutes 2010, sections 116L.17, subdivision 1; 116L.561, subdivision 7; 268.035, subdivisions 4, 19a, 20, 23, 29; 268.051, subdivisions 5, 6, 8; 268.057, subdivision 2; 268.07, subdivisions 2, 3b; 268.085, subdivision 3; 268.095, subdivision 10; 268.115, subdivision 1; 268.184, subdivisions 1, 1a; Laws 2009, chapter 78, article 3, section 16.

Reported the same back with the following amendments:

Page 2, after line 16, insert:

"Sec. 3. Minnesota Statutes 2010, section 268.035, subdivision 23a, is amended to read:

Subd. 23a. **Suitable employment.** (a) Suitable employment means employment in the applicant's labor market area that is reasonably related to the applicant's qualifications. In determining whether any employment is suitable for an applicant, the degree of risk involved to the health and safety, physical fitness, prior training, experience, length of unemployment, prospects for securing employment in the applicant's customary occupation, and the distance of the employment from the applicant's residence is considered.

(b) In determining what is suitable employment, primary consideration is given to the temporary or permanent nature of the applicant's separation from employment and whether the applicant has favorable prospects of finding employment in the applicant's usual or customary occupation at the applicant's past wage level within a reasonable period of time.

If prospects are unfavorable, employment at lower skill or wage levels is suitable if the applicant is reasonably suited for the employment considering the applicant's education, training, work experience, and current physical and mental ability.

The total compensation must be considered, including the wage rate, hours of employment, method of payment, overtime practices, bonuses, incentive payments, and fringe benefits.

(c) When potential employment is at a rate of pay lower than the applicant's former rate, consideration must be given to the length of the applicant's unemployment and the proportion of difference in the rates. Employment that may not be suitable because of lower wages during the early weeks of the applicant's unemployment may become suitable as the duration of unemployment lengthens.

(d) For an applicant seasonally unemployed, suitable employment includes temporary work in a lower skilled occupation that pays average gross weekly wages equal to or more than 150 percent of the applicant's weekly unemployment benefit amount.

(e) If a majority of the applicant's weeks of employment in the base period includes part-time employment, part-time employment in a position with comparable skills and comparable hours that pays comparable wages is considered suitable employment.

Full-time employment is not considered suitable employment for an applicant if a majority of the applicant's weeks of employment in the base period includes part-time employment.

(f) To determine suitability of employment in terms of shifts, the arrangement of hours in addition to the total number of hours is to be considered. Employment on a second, third, rotating, or split shift is suitable employment if it is customary in the occupation in the labor market area.

(g) Employment is not considered suitable if:

(1) the position offered is vacant because of a labor dispute;

(2) the wages, hours, or other conditions of employment are substantially less favorable than those prevailing for similar employment in the labor market area;

(3) as a condition of becoming employed, the applicant would be required to join a company union or to resign from or refrain from joining any bona fide labor organization; or

(4) the employment is with a staffing service and less than ~~45~~ 25 percent of the applicant's wage credits are from a job assignment with the client of a staffing service.

(h) A job assignment with a staffing service is considered suitable only if ~~45~~ 25 percent or more of the applicant's wage credits are from job assignments with clients of a staffing service and the job assignment meets the definition of suitable employment under paragraph (a).

Sec. 4. Minnesota Statutes 2010, section 268.035, subdivision 32, is amended to read:

Subd. 32. **Weekly unemployment benefit amount.** "Weekly unemployment benefit amount" means the amount of unemployment benefits computed under section 268.07, subdivision ~~2, paragraph (b)~~ 2a."

Page 3, line 24, before the period, insert ", except that in paragraph (b), the striking of "wage credits" and the insertion of "wages paid" and the insertion of "and have been reported on wage detail under section 268.044" are effective the day following final enactment""

Page 4, line 18, delete "retroactively from" and before the period, insert ", and applies retroactively from July 1, 2011""

Page 10, line 14, strike "is regularly attending classes at" and insert "whose primary relation to" and after "university" insert "is as a student. This does not include an individual whose primary relation to the school, college, or university is as an employee who also takes courses""

Reorder the sections in sequence

Correct the title numbers accordingly

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

The report was adopted.

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

H. F. No. 1405, A bill for an act relating to insurance; regulating claims processing for insurance on portable electronics products; permitting use of an automated claims processing system subject to certain requirements and safeguards; amending Minnesota Statutes 2010, sections 72B.02, by adding a subdivision; 72B.03, subdivision 1, by adding a subdivision; 72B.041, subdivision 2, by adding a subdivision.

Reported the same back with the following amendments:

Page 3, delete section 3

Renumber the sections in sequence and correct internal references

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1406, A bill for an act relating to human services; amending continuing care policy provisions; making changes to the telephone equipment program; making changes to disability services provisions; reforming comprehensive assessments and case management services; making changes to nursing facility provisions; making technical and conforming changes; providing for rulemaking authority; requiring reports; amending Minnesota Statutes 2010, sections 144A.071, subdivisions 3, 4a, 5a; 144A.073, subdivision 3c, by adding a subdivision; 144D.03, subdivision 2; 144D.04, subdivision 2; 237.50; 237.51; 237.52; 237.53; 237.54; 237.55; 237.56; 245A.03, subdivision 7; 245A.11, subdivision 8; 245B.02, subdivision 20; 245B.06, subdivision 7; 252.32, subdivision 1a; 252.40; 252.41, subdivisions 1, 3; 252.42; 252.43; 252.44; 252.45; 252.451, subdivisions 2, 5; 252.46, subdivision 1a; 252A.21, subdivision 2; 256.476, subdivision 11; 256B.0625, subdivision 19c; 256B.0659, subdivisions 1, 2, 3, 3a, 4, 9, 11, 13, 14, 19, 21, 30; 256B.0911, subdivisions 1, 1a, 2b, 2c, 3, 3a, 3b, 3c, 4a, 4c, 6; 256B.0913, subdivisions 7, 8; 256B.0915, subdivisions 1a, 1b, 3c, 6; 256B.0916, subdivision 7; 256B.092, subdivisions 1, 1a, 1b, 1e, 1g, 2, 3, 5, 7, 8, 8a, 9, 11; 256B.096, subdivision 5; 256B.19, subdivision 1e; 256B.431, subdivisions 2t, 26; 256B.438, subdivisions 1, 3, 4, by adding a subdivision; 256B.441, subdivision 55a, by adding a subdivision; 256B.49, subdivisions 13, 14, 15, 21; 256B.4912; 256B.501, subdivision 4b; 256B.5013, subdivision 1; 256B.5015, subdivision 1; 256B.765; 256G.02, subdivision 6; Laws 2009, chapter 79, article 8, section 81, as amended; proposing coding for new law in Minnesota Statutes, chapter 252; repealing Minnesota Statutes 2010, sections 144A.073, subdivisions 4, 5; 252.46, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 16, 17, 18, 19, 20, 21; 256.0112, subdivision 6; 256B.092, subdivision 8a; 256B.49, subdivision 16a; 256B.501, subdivision 8.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1  
TELEPHONE EQUIPMENT PROGRAM

Section 1. Minnesota Statutes 2010, section 237.50, is amended to read:

**237.50 DEFINITIONS.**

Subdivision 1. **Scope.** The terms used in sections 237.50 to 237.56 have the meanings given them in this section.

Subd. 3. **Communication impaired disability.** "~~Communication impaired disability~~" means certified as ~~deaf, severely hearing impaired, hard of hearing~~ having a hearing loss, ~~speech impaired, deaf and blind disability, or mobility impaired if the mobility impairment significantly impedes the ability~~ physical disability that makes it difficult or impossible to use standard customer premises telecommunications services and equipment.

Subd. 4. **Communication device.** "~~Communication device~~" means a device that when connected to a telephone enables a communication-impaired person to communicate with another person utilizing the telephone system. ~~A "communication device" includes a ring signaler, an amplification device, a telephone device for the deaf, a Braille device for use with a telephone, and any other device the Department of Human Services deems necessary.~~

Subd. 4a. **Deaf.** "Deaf" means a hearing ~~impairment~~ loss of such severity that the individual must depend primarily upon visual communication such as writing, lip reading, ~~manual communication~~ sign language, and gestures.

Subd. 4b. **Deafblind.** "Deafblind" means any combination of vision and hearing loss which interferes with acquiring information from the environment to the extent that compensatory strategies and skills are necessary to access that or other information.

Subd. 5. **Exchange.** "~~Exchange~~" means a unit area established and described by the tariff of a telephone company for the administration of telephone service in a specified geographical area, usually embracing a city, town, or village and its environs, and served by one or more central offices, together with associated facilities used in providing service within that area.

Subd. 6. **Fund.** "Fund" means the telecommunications access Minnesota fund established in section 237.52.

Subd. 6a. **Hard-of-hearing.** "Hard-of-hearing" means a hearing ~~impairment~~ loss resulting in a functional ~~loss~~ limitation, but not to the extent that the individual must depend primarily upon visual communication.

Subd. 7. **Interexchange service.** "~~Interexchange service~~" means telephone service between points in two or more exchanges.

Subd. 8. **Inter-LATA interexchange service.** "~~Inter-LATA interexchange service~~" means interexchange service originating and terminating in different LATAs.

Subd. 9. **Local access and transport area.** "Local access and transport area (LATA)" means a geographical area designated by the Modification of Final Judgment in U.S. v. Western Electric Co., Inc., 552 F. Supp. 131 (D.D.C. 1982), including modifications in effect on the effective date of sections 237.51 to 237.54.

Subd. 10. **Local exchange service.** "~~Local exchange service~~" means telephone service between points within an exchange.

Subd. 10a. **Telecommunications device.** "Telecommunications device" means a device that (1) allows a person with a communication disability to have access to telecommunications services as defined in subdivision 13, and (2) is specifically selected by the Department of Human Services for its capacity to allow persons with communication disabilities to use telecommunications services in a manner that is functionally equivalent to the ability of an individual who does not have a communication disability. A telecommunications device may include a ring signaler, an amplified telephone, a hands-free telephone, a text telephone, a captioned telephone, a wireless device, a device that produces Braille output for use with a telephone, and any other device the Department of Human Services deems appropriate.

Subd. 11. **Telecommunication Telecommunications Relay service Services.** "~~Telecommunication Telecommunications Relay service~~ Services" or "TRS" means a central statewide service through which a communication-impaired person, using a communication device, may send and receive messages to and from a non-communication-impaired person whose telephone is not equipped with a communication device and through which a non-communication-impaired person may, by using voice communication, send and receive messages to and from a communication-impaired



~~person~~ the telecommunications transmission services required under Federal Communications Commission (FCC) regulations at Code of Federal Regulations, title 47, sections 64.604 to 64.606. TRS allows an individual who has a communication disability to use telecommunications services in a manner that is functionally equivalent to the ability of an individual who does not have a communication disability.

Subd. 12. **Telecommunications.** "Telecommunications" means the transmission, between or among points specified by the user, of information of the user's choosing, without change in the form or content of the information as sent and received.

Subd. 13. **Telecommunications services.** "Telecommunications services" means the offering of telecommunications for fee directly to the public, or to such classes of users as to be effectively available to the public, regardless of the facilities used.

Sec. 2. Minnesota Statutes 2010, section 237.51, is amended to read:

**237.51 TELECOMMUNICATIONS ACCESS MINNESOTA PROGRAM ADMINISTRATION.**

Subdivision 1. **Creation.** The commissioner of commerce shall:

(1) administer through interagency agreement with the commissioner of human services a program to distribute ~~communication~~ telecommunications devices to eligible ~~communication-impaired~~ persons who have communication disabilities; and

(2) contract with a one or more qualified ~~vendor~~ vendors that ~~serves communication-impaired~~ serve persons who have communication disabilities to create and maintain a telecommunication provide telecommunications relay service services.

For purposes of sections 237.51 to 237.56, the Department of Commerce and any organization with which it contracts pursuant to this section or section 237.54, subdivision 2, are not telephone companies or telecommunications carriers as defined in section 237.01.

Subd. 5. **Commissioner of commerce duties.** In addition to any duties specified elsewhere in sections 237.51 to 237.56, the commissioner of commerce shall:

(1) prepare the reports required by section 237.55;

(2) administer the fund created in section 237.52; and

(3) adopt rules under chapter 14 to implement the provisions of sections 237.50 to 237.56.

Subd. 5a. **Department Commissioner of human services duties.** (a) In addition to any duties specified elsewhere in sections 237.51 to 237.56, the commissioner of human services shall:

(1) define economic hardship, special needs, and household criteria so as to determine the priority of eligible applicants for initial distribution of devices and to determine circumstances necessitating provision of more than one ~~communication~~ telecommunications device per household;

(2) establish a method to verify eligibility requirements;

(3) establish specifications for ~~communication~~ telecommunications devices to be ~~purchased~~ provided under section 237.53, subdivision 3; ~~and~~

(4) inform the public and specifically ~~the community of communication-impaired persons~~ who have communication disabilities of the program; and

(5) provide devices based on the assessed need of eligible applicants.

(b) The commissioner may establish an advisory board to advise the department in carrying out the duties specified in this section and to advise the commissioner of commerce in carrying out duties under section 237.54. If so established, the advisory board must include, at a minimum, the following ~~communication-impaired~~ persons:

(1) at least one member who is deaf;

(2) at least one member who ~~is~~ has a speech-impaired disability;

(3) at least one member who ~~is mobility-impaired~~ has a physical disability that makes it difficult or impossible for the person to access telecommunications services; and

(4) at least one member who is hard-of-hearing.

The membership terms, compensation, and removal of members and the filling of membership vacancies are governed by section 15.059. Advisory board meetings shall be held at the discretion of the commissioner.

Sec. 3. Minnesota Statutes 2010, section 237.52, is amended to read:

**237.52 TELECOMMUNICATIONS ACCESS MINNESOTA FUND.**

Subdivision 1. **Fund established.** A telecommunications access Minnesota fund is established as an account in the state treasury. Earnings, such as interest, dividends, and any other earnings arising from fund assets, must be credited to the fund.

Subd. 2. **Assessment.** (a) The commissioner of commerce, the commissioner of employment and economic development, and the commissioner of human services shall annually recommend to the Public Utilities Commission (PUC) an adequate and appropriate surcharge and budget to implement sections 237.50 to 237.56, 248.062, and 256C.30, respectively. The maximum annual budget for section 248.062 must not exceed \$100,000 and for section 256C.30 must not exceed \$300,000. The Public Utilities Commission shall review the budgets for reasonableness and may modify the budget to the extent it is unreasonable. The commission shall annually determine the funding mechanism to be used within 60 days of receipt of the recommendation of the departments and shall order the imposition of surcharges effective on the earliest practicable date. The commission shall establish a monthly charge no greater than 20 cents for each customer access line, including trunk equivalents as designated by the commission pursuant to section 403.11, subdivision 1.

(b) If the fund balance falls below a level capable of fully supporting all programs eligible under subdivision 5 and sections 248.062 and 256C.30, expenditures under sections 248.062 and 256C.30 shall be reduced on a pro rata basis and expenditures under sections 237.53 and 237.54 shall be fully funded. Expenditures under sections 248.062 and 256C.30 shall resume at fully funded levels when the commissioner of commerce determines there is a sufficient fund balance to fully fund those expenditures.

Subd. 3. **Collection.** Every ~~telephone company or communications carrier that provides service~~ provider of services capable of originating a ~~telecommunications-relay~~ TRS call, including cellular communications and other nonwire access services, in this state shall collect the charges established by the commission under subdivision 2 and transfer amounts collected to the commissioner of public safety in the same manner as provided in section 403.11, subdivision 1, paragraph (d). The commissioner of public safety must deposit the receipts in the fund established in subdivision 1.

Subd. 4. **Appropriation.** Money in the fund is appropriated to the commissioner of commerce to implement sections 237.51 to 237.56, to the commissioner of employment and economic development to implement section 248.062, and to the commissioner of human services to implement section 256C.30.

Subd. 5. **Expenditures.** (a) Money in the fund may only be used for:

(1) expenses of the Department of Commerce, including personnel cost, public relations, advisory board members' expenses, preparation of reports, and other reasonable expenses not to exceed ten percent of total program expenditures;

(2) reimbursing the commissioner of human services for purchases made or services provided pursuant to section 237.53;

(3) reimbursing telephone companies for purchases made or services provided under section 237.53, subdivision 5; and

(4) contracting for ~~establishment and operation of the telecommunication relay service~~ the provision of TRS required by section 237.54.

(b) All costs directly associated with the establishment of the program, the purchase and distribution of ~~communication telecommunications~~ devices, and the ~~establishment and operation of the telecommunication relay service~~ provision of TRS are either reimbursable or directly payable from the fund after authorization by the commissioner of commerce. The commissioner of commerce shall contract with ~~the message relay service operator~~ one or more TRS providers to indemnify the ~~local exchange carriers of the relay telecommunications service providers~~ for any fines imposed by the Federal Communications Commission related to the failure of the relay service to comply with federal service standards. Notwithstanding section 16A.41, the commissioner may advance money to the ~~contractor of the telecommunication relay service~~ TRS providers if the ~~contractor~~ establishes providers establish to the commissioner's satisfaction that the advance payment is necessary for the ~~operation~~ provision of the service. The advance payment may be used only for working capital reserve for the operation of the service. The advance payment must be offset or repaid by the end of the contract fiscal year together with interest accrued from the date of payment.

Sec. 4. Minnesota Statutes 2010, section 237.53, is amended to read:

**237.53 COMMUNICATION TELECOMMUNICATIONS DEVICE.**

Subdivision 1. **Application.** A person applying for a ~~communication telecommunications~~ device under this section must apply to the program administrator on a form prescribed by the Department of Human Services.

Subd. 2. **Eligibility.** To be eligible to obtain a ~~communication telecommunications~~ device under this section, a person must ~~be~~:

(1) ~~be~~ able to benefit from and use the equipment for its intended purpose;

(2) ~~have a communication impaired~~ disability;

(3) ~~be~~ a resident of the state;

(4) ~~be~~ a resident in a household that has a median income at or below the applicable median household income in the state, except a ~~deaf and blind~~ person who is deafblind applying for a ~~telebraille unit~~ Braille device may reside in a household that has a median income no more than 150 percent of the applicable median household income in the state; and

(5) ~~be~~ a resident in a household that has ~~telephone~~ telecommunications service or that has made application for service and has been assigned a telephone number; or a resident in a residential care facility, such as a nursing home or group home where ~~telephone~~ telecommunications service is not included as part of overall service provision.

Subd. 3. **Distribution.** The commissioner of human services shall purchase and distribute a sufficient number of ~~communication~~ telecommunications devices so that each eligible household receives ~~an~~ appropriate ~~device~~ devices as determined under section 237.51, subdivision 5a. The commissioner of human services shall distribute the devices to eligible households ~~in each service area~~ free of charge ~~as determined under section 237.51, subdivision 5a.~~

Subd. 4. **Training; maintenance.** The commissioner of human services shall maintain the ~~communication~~ telecommunications devices until the warranty period expires, and provide training, without charge, to first-time users of the devices.

~~Subd. 5. **Wiring installation.** If a communication impaired person is not served by telephone service and is subject to economic hardship as determined by the Department of Human Services, the telephone company providing local service shall at the direction of the administrator of the program install necessary outside wiring without charge to the household.~~

Subd. 6. **Ownership.** ~~All communication~~ Telecommunications devices purchased pursuant to subdivision 3 ~~will become~~ are the property of the state of Minnesota. Policies and procedures for the return of devices from individuals who withdraw from the program or whose eligibility status changes shall be determined by the commissioner of human services.

Subd. 7. **Standards.** The ~~communication~~ telecommunications devices distributed under this section must comply with the electronic industries ~~association~~ alliance standards and ~~be~~ approved by the Federal Communications Commission. The commissioner of human services must provide each eligible person a choice of several models of devices, the retail value of which may not exceed \$600 for a ~~communication device for the deaf text telephone,~~ and a retail value of \$7,000 for a ~~telebraille~~ Braille device, or an amount authorized by the Department of Human Services for a ~~telephone device for the deaf with auxiliary equipment~~ all other telecommunications devices and auxiliary equipment it deems cost-effective and appropriate to distribute according to sections 237.51 to 237.56.

Sec. 5. Minnesota Statutes 2010, section 237.54, is amended to read:

**237.54 TELECOMMUNICATION TELECOMMUNICATIONS RELAY SERVICE SERVICES (TRS).**

Subd. 2. **Operation.** (a) The commissioner of commerce shall contract with ~~a one or more~~ qualified vendor vendors for the ~~operation and maintenance of the telecommunication relay system~~ provision of Telecommunications Relay Services (TRS).

(b) The ~~telecommunication relay service provider~~ TRS providers shall operate the relay service within the state of Minnesota. The ~~operator of the system~~ TRS providers shall ~~keep all messages confidential, shall train personnel in the unique needs of communication impaired people, and shall inform communication impaired persons and the public of the availability and use of the system.~~ Except in the case of a speech or mobility impaired person, the operator shall not relay a message unless it originates or terminates through a communication device for the deaf or a Braille device for use with a telephone comply with all current and subsequent FCC regulations at Code of Federal Regulations, title 47, sections 64.601 to 64.606, and shall inform persons who have communication disabilities and the public of the availability and use of TRS.

Sec. 6. Minnesota Statutes 2010, section 237.55, is amended to read:

**237.55 ANNUAL REPORT ON COMMUNICATION TELECOMMUNICATIONS ACCESS.**

The commissioner of commerce must prepare a report for presentation to the Public Utilities Commission by January 31 of each year. Each report must review the accessibility of ~~the telephone system to communication-impaired persons, review the ability of non-communication-impaired persons to communicate with communication-impaired persons via the telephone system~~ telecommunications services to persons who have communication disabilities, describe services provided, account for ~~money received and disbursed annually~~ annual revenues and expenditures for each aspect of the ~~program~~ fund to date, and include predicted program future operation.

Sec. 7. Minnesota Statutes 2010, section 237.56, is amended to read:

**237.56 ADEQUATE SERVICE ENFORCEMENT.**

The services required to be provided under sections 237.50 to 237.55 may be enforced under section 237.081 upon a complaint of at least two ~~communication-impaired~~ persons within the service area of any one ~~telephone company~~ telecommunications service provider, provided that if only one person within the service area of a company is receiving service under sections 237.50 to 237.55, the ~~commission~~ Public Utilities Commission may proceed upon a complaint from that person.

ARTICLE 2  
DISABILITY SERVICES

Section 1. Minnesota Statutes 2010, 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. 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, and determined to be needed by the commissioner under paragraph (b);
- (3) new foster care licenses determined to be needed by the commissioner under paragraph (b) for the closure or downsizing of a nursing facility, ICF/MR, or regional treatment center;
- (4) new foster care licenses determined to be needed by the commissioner under paragraph (b) for persons requiring hospital level care; or
- (5) new foster care licenses determined to be needed by the commissioner for the transition of people from personal care assistance to the home and community-based services.

(b) The commissioner shall determine the need for newly licensed foster care homes 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) Residential settings that would otherwise be subject to the moratorium established in paragraph (a), that are in the process of receiving an adult or child foster care license as of July 1, 2009, shall be allowed to continue to complete the process of receiving an adult or child foster care license. For this paragraph, all of the following conditions must be met to be considered in the process of receiving an adult or child foster care license:~~

~~(1) participants have made decisions to move into the residential setting, including documentation in each participant's care plan;~~

~~(2) the provider has purchased housing or has made a financial investment in the property;~~

~~(3) the lead agency has approved the plans, including costs for the residential setting for each individual;~~

~~(4) the completion of the licensing process, including all necessary inspections, is the only remaining component prior to being able to provide services; and~~

~~(5) the needs of the individuals cannot be met within the existing capacity in that county.~~

~~To qualify for the process under this paragraph, the lead agency must submit documentation to the commissioner by August 1, 2009, that all of the above criteria are met.~~

~~(d)~~ (c) The commissioner shall study the effects of the license moratorium under this subdivision and shall report back to the legislature by January 15, 2011. This study shall include, but is not limited to the following:

(1) the overall capacity and utilization of foster care beds where the physical location is not the primary residence of the license holder prior to and after implementation of the moratorium;

(2) the overall capacity and utilization of foster care beds where the physical location is the primary residence of the license holder prior to and after implementation of the moratorium; and

(3) the number of licensed and occupied ICF/MR beds prior to and after implementation of the moratorium.

(d) 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.

(e) License holders of foster care homes identified under paragraph (e) 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. These license holders must be considered registered under section 256B.092, subdivision 11, paragraph (c), and this registration status must be identified on their license certificates.

Sec. 2. Minnesota Statutes 2010, section 245A.11, subdivision 8, is amended to read:

Subd. 8. **Community residential setting license.** (a) The commissioner shall establish provider standards for residential support services that integrate service standards and the residential setting under one license. The commissioner shall propose statutory language and an implementation plan for licensing requirements for residential support services to the legislature by January 15, ~~2011~~ 2012, as a component of the quality outcome standards recommendations required by Laws 2010, chapter 352, article 1, section 24.

(b) Providers licensed under chapter 245B, and providing, contracting, or arranging for services in settings licensed as adult foster care under Minnesota Rules, parts 9555.5105 to 9555.6265, or child foster care under Minnesota Rules, parts 2960.3000 to 2960.3340; and meeting the provisions of section 256B.092, subdivision 11, paragraph (b), must be required to obtain a community residential setting license.

Sec. 3. Minnesota Statutes 2010, section 252.32, subdivision 1a, is amended to read:

Subd. 1a. **Support grants.** (a) Provision of support grants must be limited to families who require support and whose dependents are under the age of 21 and who have been certified disabled under section 256B.055, subdivision 12, paragraphs (a), (b), (c), (d), and (e). Families who are receiving: home and community-based waived services for persons with developmental disabilities authorized under section 256B.092 or 256B.49; personal care assistance under section 256B.0652; or a consumer support grant under section 256.476 are not eligible for support grants.

Families whose annual adjusted gross income is \$60,000 or more are not eligible for support grants except in cases where extreme hardship is demonstrated. Beginning in state fiscal year 1994, the commissioner shall adjust the income ceiling annually to reflect the projected change in the average value in the United States Department of Labor Bureau of Labor Statistics Consumer Price Index (all urban) for that year.

(b) Support grants may be made available as monthly subsidy grants and lump-sum grants.

(c) Support grants may be issued in the form of cash, voucher, and direct county payment to a vendor.

(d) Applications for the support grant shall be made by the legal guardian to the county social service agency. The application shall specify the needs of the families, the form of the grant requested by the families, and the items and services to be reimbursed.

Sec. 4. **[252.34] REPORT BY COMMISSIONER.**

Beginning January 1, 2013, the commissioner shall provide a biennial report to the chairs of the legislative committees with jurisdiction over health and human services policy and funding. The report must provide a summary of overarching goals and priorities for persons with disabilities, including the status of how each of the following programs administered by the commissioner is supporting the overarching goals and priorities:

(1) home and community-based services waivers for persons with disabilities under sections 256B.092 and 256B.49;

(2) home care services under section 256B.0652; and

(3) other relevant programs and services as determined by the commissioner.

Sec. 5. Minnesota Statutes 2010, section 252A.21, subdivision 2, is amended to read:

Subd. 2. **Rules.** The commissioner shall adopt rules to implement this chapter. The rules must include standards for performance of guardianship or conservatorship duties including, but not limited to: twice a year visits with the ward; ~~quarterly reviews of records from day, residential, and support services~~; a requirement that the duties of guardianship or conservatorship and case management not be performed by the same person; specific standards for action on "do not resuscitate" orders, sterilization requests, and the use of psychotropic medication and aversive procedures.

Sec. 6. Minnesota Statutes 2010, section 256.476, subdivision 11, is amended to read:

Subd. 11. **Consumer support grant program after July 1, 2001.** Effective July 1, 2001, the commissioner shall allocate consumer support grant resources to serve additional individuals based on a review of Medicaid authorization and payment information of persons eligible for a consumer support grant from the most recent fiscal year. The commissioner shall use the following methodology to calculate maximum allowable monthly consumer support grant levels:

(1) For individuals whose program of origination is medical assistance home care under sections 256B.0651 and 256B.0653 to 256B.0656, the maximum allowable monthly grant levels are calculated by:

(i) determining ~~50 percent of the average~~ the service authorization for each individual based on the individual's home care rating assessment;

(ii) calculating the overall ratio of actual payments to service authorizations by program;

(iii) applying the overall ratio to ~~the average~~ 50 percent of the service authorization level of each home care rating; and

(iv) adjusting the result for any authorized rate ~~increases~~ changes provided by the legislature; ~~and,~~

~~(v) adjusting the result for the average monthly utilization per recipient.~~

(2) The commissioner ~~may review and evaluate~~ shall ensure the methodology ~~to reflect changes in~~ is consistent with the home care programs.

Sec. 7. Minnesota Statutes 2010, section 256B.0625, subdivision 19c, is amended to read:

Subd. 19c. **Personal care.** Medical assistance covers personal care assistance services provided by an individual who is qualified to provide the services according to subdivision 19a and sections 256B.0651 to 256B.0656, provided in accordance with a plan, and supervised by a qualified professional.

"Qualified professional" means a mental health professional as defined in section 245.462, subdivision 18, clauses (1) to (6), or 245.4871, subdivision 27, clauses (1) to (6); or a registered nurse as defined in sections 148.171 to 148.285, a licensed social worker as defined in sections 148D.010 and 148D.055, or a qualified developmental disabilities specialist under section 245B.07, subdivision 4. The qualified professional shall perform the duties required in section 256B.0659.

Sec. 8. Minnesota Statutes 2010, section 256B.0659, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms defined in paragraphs (b) to (r) have the meanings given unless otherwise provided in text.

(b) "Activities of daily living" means grooming, dressing, bathing, transferring, mobility, positioning, eating, and toileting.

(c) "Behavior," effective January 1, 2010, means a category to determine the home care rating and is based on the criteria found in this section. "Level I behavior" means physical aggression towards self, others, or destruction of property that requires the immediate response of another person.

(d) "Complex health-related needs," effective January 1, 2010, means a category to determine the home care rating and is based on the criteria found in this section.

(e) "Critical activities of daily living," effective January 1, 2010, means transferring, mobility, eating, and toileting.

(f) "Dependency in activities of daily living" means a person requires assistance to begin and complete one or more of the activities of daily living.



(g) "Extended personal care assistance service" means personal care assistance services included in a service plan under one of the home and community-based services waivers authorized under sections 256B.0915, 256B.092, subdivision 5, and 256B.49, which exceed the amount, duration, and frequency of the state plan personal care assistance services for participants who:

(1) need assistance provided periodically during a week, but less than daily will not be able to remain in their homes without the assistance, and other replacement services are more expensive or are not available when personal care assistance services are to be ~~terminated~~ reduced; or

(2) need additional personal care assistance services beyond the amount authorized by the state plan personal care assistance assessment in order to ensure that their safety, health, and welfare are provided for in their homes.

(h) "Health-related procedures and tasks" means procedures and tasks that can be delegated or assigned by a licensed health care professional under state law to be performed by a personal care assistant.

(i) "Instrumental activities of daily living" means activities to include meal planning and preparation; basic assistance with paying bills; shopping for food, clothing, and other essential items; performing household tasks integral to the personal care assistance services; communication by telephone and other media; and traveling, including to medical appointments and to participate in the community.

(j) "Managing employee" has the same definition as Code of Federal Regulations, title 42, section 455.

(k) "Qualified professional" means a professional providing supervision of personal care assistance services and staff as defined in section 256B.0625, subdivision 19c.

(l) "Personal care assistance provider agency" means a medical assistance enrolled provider that provides or assists with providing personal care assistance services and includes a personal care assistance provider organization, personal care assistance choice agency, class A licensed nursing agency, and Medicare-certified home health agency.

(m) "Personal care assistant" or "PCA" means an individual employed by a personal care assistance agency who provides personal care assistance services.

(n) "Personal care assistance care plan" means a written description of personal care assistance services developed by the personal care assistance provider according to the service plan.

(o) "Responsible party" means an individual who is capable of providing the support necessary to assist the recipient to live in the community.

(p) "Self-administered medication" means medication taken orally, by injection or insertion, or applied topically without the need for assistance.

(q) "Service plan" means a written summary of the assessment and description of the services needed by the recipient.

(r) "Wages and benefits" means wages and salaries, the employer's share of FICA taxes, Medicare taxes, state and federal unemployment taxes, workers' compensation, mileage reimbursement, health and dental insurance, life insurance, disability insurance, long-term care insurance, uniform allowance, and contributions to employee retirement accounts.

Sec. 9. Minnesota Statutes 2010, section 256B.0659, subdivision 3, is amended to read:

Subd. 3. **Noncovered personal care assistance services.** (a) Personal care assistance services are not eligible for medical assistance payment under this section when provided:

(1) by the recipient's spouse, parent of a recipient under the age of 18, paid legal guardian, licensed foster provider, except as allowed under section 256B.0652, subdivision 10, or responsible party;

(2) ~~in lieu of other staffing options~~ order to meet staffing or license requirements in a residential or child care setting;

(3) solely as a child care or babysitting service; or

(4) without authorization by the commissioner or the commissioner's designee.

(b) The following personal care services are not eligible for medical assistance payment under this section when provided in residential settings:

(1) ~~effective January 1, 2010,~~ when the provider of home care services who is not related by blood, marriage, or adoption owns or otherwise controls the living arrangement, including licensed or unlicensed services; or

(2) when personal care assistance services are the responsibility of a residential or program license holder under the terms of a service agreement and administrative rules.

(c) Other specific tasks not covered under paragraph (a) or (b) that are not eligible for medical assistance reimbursement for personal care assistance services under this section include:

(1) sterile procedures;

(2) injections of fluids and medications into veins, muscles, or skin;

(3) home maintenance or chore services;

(4) homemaker services not an integral part of assessed personal care assistance services needed by a recipient;

(5) application of restraints or implementation of procedures under section 245.825;

(6) instrumental activities of daily living for children under the age of 18, except when immediate attention is needed for health or hygiene reasons integral to the personal care services and the need is listed in the service plan by the assessor; and

(7) assessments for personal care assistance services by personal care assistance provider agencies or by independently enrolled registered nurses.

Sec. 10. Minnesota Statutes 2010, section 256B.0659, subdivision 9, is amended to read:

Subd. 9. **Responsible party; generally.** (a) "Responsible party" means an individual who is capable of providing the support necessary to assist the recipient to live in the community.

(b) A responsible party must be 18 years of age, actively participate in planning and directing of personal care assistance services, and attend all assessments for the recipient.

(c) A responsible party must not be the:

(1) personal care assistant;

(2) qualified professional;

(3) home care provider agency owner or ~~staff manager; or~~

(4) home care provider agency staff unless staff who are not listed in clauses (1) to (3) are related to the recipient by blood, marriage, or adoption; or

~~(3)~~ (5) county staff acting as part of employment.

(d) A licensed family foster parent who lives with the recipient may be the responsible party as long as the family foster parent meets the other responsible party requirements.

(e) A responsible party is required when:

(1) the person is a minor according to section 524.5-102, subdivision 10;

(2) the person is an incapacitated adult according to section 524.5-102, subdivision 6, resulting in a court-appointed guardian; or

(3) the assessment according to subdivision 3a determines that the recipient is in need of a responsible party to direct the recipient's care.

(f) There may be two persons designated as the responsible party for reasons such as divided households and court-ordered custodies. Each person named as responsible party must meet the program criteria and responsibilities.

(g) The recipient or the recipient's legal representative shall appoint a responsible party if necessary to direct and supervise the care provided to the recipient. The responsible party must be identified at the time of assessment and listed on the recipient's service agreement and personal care assistance care plan.

Sec. 11. Minnesota Statutes 2010, 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 ~~within the first seven days after the services begin~~; and

(10) be limited to providing and being paid for up to 275 hours per month, ~~except that this limit shall be 275 hours per month for the period July 1, 2009, through June 30, 2011,~~ 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) ~~Effective January 1, 2010,~~ Persons who do not qualify as a personal care assistant include parents ~~and~~ 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, ~~or~~ and staff of a residential setting.

Sec. 12. Minnesota Statutes 2010, section 256B.0659, subdivision 13, is amended to read:

Subd. 13. **Qualified professional; qualifications.** (a) The qualified professional must work for a personal care assistance provider agency and meet the definition under section 256B.0625, subdivision 19c. Before a qualified professional provides services, the personal care assistance provider agency must initiate a background study on the qualified professional under chapter 245C, and the personal care assistance provider agency must have received a notice from the commissioner that the qualified professional:

(1) is not disqualified under section 245C.14; or

(2) is disqualified, but the qualified professional has received a set aside of the disqualification under section 245C.22.

(b) The qualified professional shall perform the duties of training, supervision, and evaluation of the personal care assistance staff and evaluation of the effectiveness of personal care assistance services. The qualified professional shall:

(1) develop and monitor with the recipient a personal care assistance care plan based on the service plan and individualized needs of the recipient;

- (2) develop and monitor with the recipient a monthly plan for the use of personal care assistance services;
- (3) review documentation of personal care assistance services provided;
- (4) provide training and ensure competency for the personal care assistant in the individual needs of the recipient; and
- (5) document all training, communication, evaluations, and needed actions to improve performance of the personal care assistants.

(c) Effective July 1, ~~2010~~ 2011, the qualified professional shall complete the provider training with basic information about the personal care assistance program approved by the commissioner. Newly hired qualified professionals must complete the training within six months of the date hired by a personal care assistance provider agency. Qualified professionals who have completed the required training as a worker from 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 last three years. ~~The required training shall must be available in languages other than English and to those who need accommodations due to disabilities, 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, ~~and~~ The required training must provide for competency testing to demonstrate an understanding of the content without attending in-person training. A qualified professional is allowed to be employed and is not subject to the training requirement until the training is offered online or through remote electronic connection. A qualified professional employed by a personal care assistance provider agency certified for participation in Medicare as a home health agency is exempt from the training required in this subdivision. When available, the qualified professional working for a Medicare-certified home health agency must successfully complete the competency test. The commissioner shall ensure there is a mechanism in place to verify the identity of persons completing the competency testing electronically.

Sec. 13. Minnesota Statutes 2010, section 256B.0659, subdivision 14, is amended to read:

Subd. 14. **Qualified professional; duties.** (a) Effective January 1, 2010, all personal care assistants must be supervised by a qualified professional.

(b) Through direct training, observation, return demonstrations, and consultation with the staff and the recipient, the qualified professional must ensure and document that the personal care assistant is:

- (1) capable of providing the required personal care assistance services;
- (2) knowledgeable about the plan of personal care assistance services before services are performed; and
- (3) able to identify conditions that should be immediately brought to the attention of the qualified professional.

(c) The qualified professional shall evaluate the personal care assistant within the first 14 days of starting to provide regularly scheduled services for a recipient, or sooner as determined by the qualified professional, except for the personal care assistance choice option under subdivision 19, paragraph (a), clause (4). For the initial evaluation, the qualified professional shall evaluate the personal care assistance services for a recipient through direct observation of a personal care assistant's work. The qualified professional may conduct additional training and evaluation visits, based upon the needs of the recipient and the personal care assistant's ability to meet those needs. Subsequent visits to evaluate the personal care assistance services provided to a recipient do not require direct observation of each personal care assistant's work and shall occur:

- (1) at least every 90 days thereafter for the first year of a recipient's services;
- (2) every 120 days after the first year of a recipient's service or whenever needed for response to a recipient's request for increased supervision of the personal care assistance staff; and
- (3) after the first 180 days of a recipient's service, supervisory visits may alternate between unscheduled phone or Internet technology and in-person visits, unless the in-person visits are needed according to the care plan.
- (d) Communication with the recipient is a part of the evaluation process of the personal care assistance staff.
- (e) At each supervisory visit, the qualified professional shall evaluate personal care assistance services including the following information:
  - (1) satisfaction level of the recipient with personal care assistance services;
  - (2) review of the month-to-month plan for use of personal care assistance services;
  - (3) review of documentation of personal care assistance services provided;
  - (4) whether the personal care assistance services are meeting the goals of the service as stated in the personal care assistance care plan and service plan;
  - (5) a written record of the results of the evaluation and actions taken to correct any deficiencies in the work of a personal care assistant; and
  - (6) revision of the personal care assistance care plan as necessary in consultation with the recipient or responsible party, to meet the needs of the recipient.
- (f) The qualified professional shall complete the required documentation in the agency recipient and employee files and the recipient's home, including the following documentation:
  - (1) the personal care assistance care plan based on the service plan and individualized needs of the recipient;
  - (2) a month-to-month plan for use of personal care assistance services;
  - (3) changes in need of the recipient requiring a change to the level of service and the personal care assistance care plan;
  - (4) evaluation results of supervision visits and identified issues with personal care assistance staff with actions taken;
  - (5) all communication with the recipient and personal care assistance staff; and
  - (6) hands-on training or individualized training for the care of the recipient.
- (g) The documentation in paragraph (f) must be done on agency ~~forms~~ templates.
- (h) The services that are not eligible for payment as qualified professional services include:
  - (1) direct professional nursing tasks that could be assessed and authorized as skilled nursing tasks;
  - ~~(2) supervision of personal care assistance completed by telephone;~~
  - ~~(3)~~ (2) agency administrative activities;

(4) (3) training other than the individualized training required to provide care for a recipient; and

(5) (4) any other activity that is not described in this section.

Sec. 14. Minnesota Statutes 2010, section 256B.0659, subdivision 19, is amended to read:

Subd. 19. **Personal care assistance choice option; qualifications; duties.** (a) Under personal care assistance choice, the recipient or responsible party shall:

(1) recruit, hire, schedule, and terminate personal care assistants according to the terms of the written agreement required under subdivision 20, paragraph (a);

(2) develop a personal care assistance care plan based on the assessed needs and addressing the health and safety of the recipient with the assistance of a qualified professional as needed;

(3) orient and train the personal care assistant with assistance as needed from the qualified professional;

(4) effective January 1, 2010, supervise and evaluate the personal care assistant with the qualified professional, who is required to visit the recipient at least every 180 days;

(5) monitor and verify in writing and report to the personal care assistance choice agency the number of hours worked by the personal care assistant and the qualified professional;

(6) engage in an annual face-to-face reassessment to determine continuing eligibility and service authorization; and

(7) use the same personal care assistance choice provider agency if shared personal assistance care is being used.

(b) The personal care assistance choice provider agency shall:

(1) meet all personal care assistance provider agency standards;

(2) enter into a written agreement with the recipient, responsible party, and personal care assistants;

(3) not be related as a parent, child, sibling, or spouse to the recipient, ~~qualified professional~~, or the personal care assistant; and

(4) ensure arm's-length transactions without undue influence or coercion with the recipient and personal care assistant.

(c) The duties of the personal care assistance choice provider agency are to:

(1) be the employer of the personal care assistant and the qualified professional for employment law and related regulations including, but not limited to, purchasing and maintaining workers' compensation, unemployment insurance, surety and fidelity bonds, and liability insurance, and submit any or all necessary documentation including, but not limited to, workers' compensation and unemployment insurance;

(2) bill the medical assistance program for personal care assistance services and qualified professional services;

(3) request and complete background studies that comply with the requirements for personal care assistants and qualified professionals;

(4) pay the personal care assistant and qualified professional based on actual hours of services provided;

- (5) withhold and pay all applicable federal and state taxes;
- (6) verify and keep records of hours worked by the personal care assistant and qualified professional;
- (7) make the arrangements and pay taxes and other benefits, if any, and comply with any legal requirements for a Minnesota employer;
- (8) enroll in the medical assistance program as a personal care assistance choice agency; and
- (9) enter into a written agreement as specified in subdivision 20 before services are provided.

Sec. 15. Minnesota Statutes 2010, section 256B.0659, subdivision 21, is amended to read:

Subd. 21. **Requirements for initial enrollment of personal care assistance provider agencies.** (a) All personal care assistance provider agencies must provide, at the time of enrollment 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 in the amount of \$50,000 or ten percent of the provider's payments from Medicaid in the previous year, whichever is less;
- (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;

(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; 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 ~~in languages other than English and to those who need accommodations due to disabilities,~~ 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, ~~and.~~ 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.

Sec. 16. Minnesota Statutes 2010, section 256B.0659, subdivision 30, is amended to read:

Subd. 30. **Notice of service changes to recipients.** The commissioner must provide:

(1) by October 31, 2009, information to recipients likely to be affected that (i) describes the changes to the personal care assistance program that may result in the loss of access to personal care assistance services, and (ii) includes resources to obtain further information;

(2) effective through January 1, 2012, notice of changes in medical assistance personal care assistance services to each affected recipient at least 30 days before the effective date of the change.

The notice shall include how to get further information on the changes, how to get help to obtain other services, a list of community resources, and appeal rights. Notwithstanding section 256.045, a recipient may request continued services pending appeal within the time period allowed to request an appeal; and

(3) a service agreement authorizing personal care assistance hours of service at the previously authorized level, throughout the appeal process period, when a recipient requests services pending an appeal.

Sec. 17. Minnesota Statutes 2010, section 256B.0916, subdivision 7, is amended to read:

Subd. 7. **Annual report by commissioner.** (a) Beginning November 1, 2001, and each November 1 thereafter, the commissioner shall issue an annual report on county and state use of available resources for the home and community-based waiver for persons with developmental disabilities. For each county or county partnership, the report shall include:

- (1) the amount of funds allocated but not used;
- (2) the county specific allowed reserve amount approved and used;
- (3) the number, ages, and living situations of individuals screened and waiting for services;
- (4) the urgency of need for services to begin within one, two, or more than two years for each individual;
- (5) the services needed;
- (6) the number of additional persons served by approval of increased capacity within existing allocations;
- (7) results of action by the commissioner to streamline administrative requirements and improve county resource management; and
- (8) additional action that would decrease the number of those eligible and waiting for waived services.

The commissioner shall specify intended outcomes for the program and the degree to which these specified outcomes are attained.

(b) This subdivision expires January 1, 2012.

Sec. 18. Minnesota Statutes 2010, section 256B.092, subdivision 1b, is amended to read:

Subd. 1b. **Individual service plan.** The individual service plan must:

- (1) include the results of the assessment information on the person's need for service, including identification of service needs that will be or that are met by the person's relatives, friends, and others, as well as community services used by the general public;
- (2) identify the person's preferences for services as stated by the person, the person's legal guardian or conservator, or the parent if the person is a minor;
- (3) identify long- and short-range goals for the person;

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

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

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

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

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

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

(10) provide a notice at least annually of the amount of funds authorized for services.

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

Sec. 19. Minnesota Statutes 2010, section 256B.092, subdivision 11, is amended to read:

Subd. 11. **Residential support services.** (a) Upon federal approval, there is established a new service called residential support that is available on the community alternative care, community alternatives for disabled individuals, developmental disabilities, and traumatic brain injury waivers. Existing waiver service descriptions must be modified to the extent necessary to ensure there is no duplication between other services. Residential support services must be provided by vendors licensed as a community residential setting as defined in section 245A.11, subdivision 8.

(b) Residential support services must meet the following criteria:

(1) providers of residential support services must own or control the residential site;

(2) the residential site must not be the primary residence of the license holder;

(3) the residential site must have a designated program supervisor responsible for program oversight, development, and implementation of policies and procedures;

(4) the provider of residential support services must provide supervision, training, and assistance as described in the person's community support plan; and

(5) the provider of residential support services must meet the requirements of licensure and additional requirements of the person's community support plan.

(c) Providers of residential support services that meet the definition in paragraph (a) must be registered using a process determined by the commissioner beginning July 1, 2009. Providers licensed to provide child foster care under Minnesota Rules, parts 2960.3000 to 2960.3340, or adult foster care licensed under Minnesota Rules, parts 9555.5105 to 9555.6265, and that meet the requirements in section 245A.03, subdivision 7, paragraph (e), are considered registered under this section.

Sec. 20. Minnesota Statutes 2010, section 256B.096, subdivision 5, is amended to read:

Subd. 5. **Biennial report.** (a) The commissioner shall provide a biennial report to the chairs of the legislative committees with jurisdiction over health and human services policy and funding beginning January 15, 2009, on the development and activities of the quality management, assurance, and improvement system designed to meet the federal requirements under the home and community-based services waiver programs for persons with disabilities. By January 15, 2008, the commissioner shall provide a preliminary report on priorities for meeting the federal requirements, progress on development and field testing of the annual survey, appropriations necessary to implement an annual survey of service recipients once field testing is completed, recommendations for improvements in the incident reporting system, and a plan for incorporating quality assurance efforts under section 256B.095 and other regional efforts into the statewide system.

(b) This subdivision expires January 1, 2012.

Sec. 21. Minnesota Statutes 2010, section 256B.49, subdivision 15, is amended to read:

Subd. 15. **Individualized service plan.** (a) Each recipient of home and community-based waived services shall be provided a copy of the written service plan which:

- (1) is developed and signed by the recipient within ten working days of the completion of the assessment;
- (2) meets the assessed needs of the recipient;
- (3) reasonably ensures the health and safety of the recipient;
- (4) promotes independence;
- (5) allows for services to be provided in the most integrated settings; ~~and~~
- (6) provides for an informed choice, as defined in section 256B.77, subdivision 2, paragraph ~~(p)~~ (o), of service and support providers; ~~and~~
- (7) provides a notice at least annually of the amount of funds authorized for services.

(b) When a county is evaluating denials, reductions, or terminations of home and community-based services under section 256B.49 for an individual, the case manager shall offer to meet with the individual or the individual's guardian in order to discuss the prioritization of service needs within the individualized service plan. The reduction in the authorized services for an individual due to changes in funding for waived services may not exceed the amount needed to ensure medically necessary services to meet the individual's health, safety, and welfare.

Sec. 22. Minnesota Statutes 2010, section 256B.49, subdivision 21, is amended to read:

Subd. 21. **Report.** (a) The commissioner shall expand on the annual report required under section 256B.0916, subdivision 7, to include information on the county of residence and financial responsibility, age, and major diagnoses for persons eligible for the home and community-based waivers authorized under subdivision 11 who are:

- (1) receiving those services;
- (2) screened and waiting for waiver services; and
- (3) residing in nursing facilities and are under age 65.

(b) This subdivision expires January 1, 2012.

Sec. 23. Minnesota Statutes 2010, section 256B.4912, is amended to read:

**256B.4912 HOME AND COMMUNITY-BASED WAIVERS; PROVIDERS AND PAYMENT.**

Subdivision 1. **Provider qualifications.** For the home and community-based waivers providing services to seniors and individuals with disabilities, the commissioner shall establish:

(1) agreements with enrolled waiver service providers to ensure providers meet ~~qualifications defined in the waiver plans~~ Minnesota health care program requirements;

(2) regular reviews of provider qualifications, ~~and including requests of proof of documentation~~; and

(3) processes to gather the necessary information to determine provider qualifications.

~~By July 2010, Beginning July 2011, staff that provide direct contact, as defined in section 245C.02, subdivision 11, that are employees of waiver service providers for services specified in the federally approved waiver plans must meet the requirements of chapter 245C prior to providing waiver services and as part of ongoing enrollment. Upon federal approval, this requirement must also apply to consumer-directed community supports.~~

Subd. 1a. **Definitions.** For the purposes of this section, the following definitions apply.

(a) "Home and community-based service providers" means approved vendors who provide community services and long-term supports under medical assistance programs that include waiver programs as defined in sections 245B.092, 256B.0915, and 256B.49, and state plan home care services as defined in section 256B.0651.

(b) "Home and community-based service administrators" means counties and tribes that, individually or collaboratively, administer home and community-based waiver services delivery in a consistent manner under a state agency directive.

~~Subd. 2. **Rate setting methodologies.** The commissioner shall establish statewide rate setting methodologies that meet federal waiver requirements for home and community based waiver services for individuals with disabilities. The rate setting methodologies must abide by the principles of transparency and equitability across the state. The methodologies must involve a uniform process of structuring rates for each service and must promote quality and participant choice.~~

Subd. 3. **Payment rate criteria.** (a) The payment structures and methodologies under this section shall reflect the payment rate criteria in paragraphs (b) and (c).

(b) Payment rates must be based on reasonable costs that are ordinary, necessary, and related to delivery of authorized client services.

(c) The commissioner must not reimburse:

(1) unauthorized service delivery;

(2) services provided under a receipt of a special grant;

(3) services provided under contract to a local school district;

(4) extended employment services under Minnesota Rules, parts 3300.2005 to 3300.3100, or vocational rehabilitation services provided under the federal Rehabilitation Act, as amended, Title I, section 110, or Title VI-C, and not through use of medical assistance or county social service funds; or

(5) services provided to a client by a licensed medical, therapeutic, or rehabilitation practitioner or any other vendor of medical care which are billed separately on a fee-for-service basis.

Subd. 4. **Rate exception process.** The payment structures and methodologies under this section must include procedures to seek authorization from the commissioner for exceptions for very dependent persons with special needs to the rates in excess of the amounts as determined utilizing individualized payment structures and methodologies established by the commissioner under subdivision 2.

Subd. 5. **Shared service limits.** The commissioner retains authority to limit the number of people that share waiver and day services. Individualized payment structures and methodologies established by the commissioner under subdivision 2 must reflect the option to share services within the limits established by the commissioner.

Subd. 6. **Home and community-based service administrator roles and responsibilities.** The commissioner shall define roles and responsibilities of home and community-based service administrators to include:

(1) certification functions to include monitoring and review of waiver home and community-based service providers in compliance with federal requirements; and

(2) assessment of home and community-based waiver service capacity and development to address identified service gaps.

Subd. 7. **Recommendations to the legislature.** The commissioner shall consult with existing advisory groups on rate-setting methodologies, provider qualifications, and home and community-based service administrator roles and responsibilities to develop and test processes, roles, and rate-setting methodologies described in this section. The commissioner shall recommend by January 15, 2012, to the chairs of the legislative committees with jurisdiction over health and human services policy and finance, statutory changes that define the processes, roles, and rate-setting methodologies for full implementation by January 1, 2013.

Sec. 24. Laws 2009, chapter 79, article 8, section 81, as amended by Laws 2010, chapter 352, article 1, section 24, is amended to read:

**Sec. 81. ESTABLISHING A SINGLE SET OF STANDARDS.**

(a) The commissioner of human services shall consult with disability service providers, advocates, counties, and consumer families to develop a single set of standards, to be referred to as "quality outcome standards," governing services for people with disabilities receiving services under the home and community-based waiver services program, with the exception of customized living services because the service license is under the jurisdiction of the Department of Health, to replace all or portions of existing laws and rules including, but not limited to, data practices, licensure of facilities and providers, background studies, reporting of maltreatment of minors, reporting of maltreatment of vulnerable adults, and the psychotropic medication checklist. The standards must:

- (1) enable optimum consumer choice;
- (2) be consumer driven;
- (3) link services to individual needs and life goals;
- (4) be based on quality assurance and individual outcomes;

(5) utilize the people closest to the recipient, who may include family, friends, and health and service providers, in conjunction with the recipient's risk management plan to assist the recipient or the recipient's guardian in making decisions that meet the recipient's needs in a cost-effective manner and assure the recipient's health and safety;

(6) utilize person-centered planning; and

(7) maximize federal financial participation.

(b) The commissioner may consult with existing stakeholder groups convened under the commissioner's authority, including the home and community-based expert services panel established by the commissioner in 2008, to meet all or some of the requirements of this section.

(c) The commissioner shall provide the reports and plans required by this section to the legislative committees and budget divisions with jurisdiction over health and human services policy and finance by January 15, 2012.

Sec. 25. **STREAMLINE CONSUMER-DIRECTED SERVICES.**

The commissioner of human services shall prepare and provide recommendations for streamlining administrative oversight, financial management, and payment protocols for consumer-directed services administered through the commissioner, including consumer-directed community supports, under Minnesota Statutes, sections 256B.49, subdivision 16, and 256B.0916, subdivision 6a; consumer support grants, under Minnesota Statutes, section 256.476; family support grants, under Minnesota Statutes, section 252.32; and any other consumer directed service options identified by the commissioner. The commissioner shall report to the legislature by January 15, 2012, with recommendations prepared under this section.

ARTICLE 3

COMPREHENSIVE ASSESSMENT AND CASE MANAGEMENT REFORM

Section 1. Minnesota Statutes 2010, section 256B.0659, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms defined in paragraphs (b) to (r) have the meanings given unless otherwise provided in text.

(b) "Activities of daily living" means grooming, dressing, bathing, transferring, mobility, positioning, eating, and toileting.

(c) "Level I behavior;" ~~effective January 1, 2010, means a category to determine the home care rating and is based on the criteria found in this section.~~ "Level I behavior" means and is defined as physical aggression towards self, others, or destruction of property that requires the immediate response of another person and either:

(1) has occurred within 30 days prior to the assessment; or

(2) there is objective evidence that, without intervention, it would have occurred 30 days prior to the assessment. Objective evidence includes logs of intervention kept by the family or provider.

(d) "Complex health-related needs," effective January 1, 2010, means a category to determine the home care rating and is based on the criteria found in this section.

(e) "Critical activities of daily living," effective January 1, 2010, means transferring, mobility, eating, and toileting.

(f) "Dependency in activities of daily living" means a person requires ~~assistance to begin and complete one or more of the activities of daily living;~~

(i) constant oversight, cueing, or monitoring throughout the activity; or

(ii) hands-on assistance at some time during the activity of daily living.

A dependency in an activity of daily living is determined to be needed on a daily basis or on the days of the week the activity is performed. Dependencies in activities of daily living for positioning, transfers, and mobility are established by meeting item (ii) only.

(g) "Extended personal care assistance service" means personal care assistance services included in a service plan under one of the home and community-based services waivers authorized under sections 256B.0915, 256B.092, subdivision 5, and 256B.49, which exceed the amount, duration, and frequency of the state plan personal care assistance services for participants who:

(1) need assistance provided periodically during a week, but less than daily will not be able to remain in their homes without the assistance, and other replacement services are more expensive or are not available when personal care assistance services are to be terminated; or

(2) need additional personal care assistance services beyond the amount authorized by the state plan personal care assistance assessment in order to ensure that their safety, health, and welfare are provided for in their homes.

(h) "Health-related procedures and tasks" means procedures and tasks that can be delegated or assigned by a licensed health care professional under state law to be performed by a personal care assistant.

(i) "Instrumental activities of daily living" means activities to include meal planning and preparation; basic assistance with paying bills; shopping for food, clothing, and other essential items; performing household tasks integral to the personal care assistance services; communication by telephone and other media; and traveling, including to medical appointments and to participate in the community.

(j) "Managing employee" has the same definition as Code of Federal Regulations, title 42, section 455.

(k) "Qualified professional" means a professional providing supervision of personal care assistance services and staff as defined in section 256B.0625, subdivision 19c.

(l) "Personal care assistance provider agency" means a medical assistance enrolled provider that provides or assists with providing personal care assistance services and includes a personal care assistance provider organization, personal care assistance choice agency, class A licensed nursing agency, and Medicare-certified home health agency.

(m) "Personal care assistant" or "PCA" means an individual employed by a personal care assistance agency who provides personal care assistance services.

(n) "Personal care assistance care plan" means a written description of personal care assistance services developed by the personal care assistance provider according to the service plan.

(o) "Responsible party" means an individual who is capable of providing the support necessary to assist the recipient to live in the community.

(p) "Self-administered medication" means medication taken orally, by injection, nebulizer, or insertion, or applied topically without the need for assistance.

(q) "Service plan" means a written summary of the assessment and description of the services needed by the recipient.



(r) "Wages and benefits" means wages and salaries, the employer's share of FICA taxes, Medicare taxes, state and federal unemployment taxes, workers' compensation, mileage reimbursement, health and dental insurance, life insurance, disability insurance, long-term care insurance, uniform allowance, and contributions to employee retirement accounts.

Sec. 2. Minnesota Statutes 2010, section 256B.0659, subdivision 2, is amended to read:

Subd. 2. **Personal care assistance services; covered services.** (a) The personal care assistance services eligible for payment include services and supports furnished to an individual, as needed, to assist in:

- (1) activities of daily living;
- (2) health-related procedures and tasks;
- (3) observation and redirection of behaviors; and
- (4) instrumental activities of daily living.

(b) Activities of daily living include the following covered services:

(1) dressing, including assistance with choosing, application, and changing of clothing and application of special appliances, wraps, or clothing;

(2) grooming, including assistance with basic hair care, oral care, shaving, applying cosmetics and deodorant, and care of eyeglasses and hearing aids. Nail care is included, except for recipients who are diabetic or have poor circulation;

(3) bathing, including assistance with basic personal hygiene and skin care;

(4) eating, including assistance with hand washing and application of orthotics required for eating, transfers, and feeding;

(5) transfers, including assistance with transferring the recipient from one seating or reclining area to another;

(6) mobility, including assistance with ambulation, including use of a wheelchair. Mobility does not include providing transportation for a recipient;

(7) positioning, including assistance with positioning or turning a recipient for necessary care and comfort; and

(8) toileting, including assistance with helping recipient with bowel or bladder elimination and care including transfers, mobility, positioning, feminine hygiene, use of toileting equipment or supplies, cleansing the perineal area, inspection of the skin, and adjusting clothing.

(c) Health-related procedures and tasks include the following covered services:

(1) range of motion and passive exercise to maintain a recipient's strength and muscle functioning;

(2) assistance with self-administered medication as defined by this section, ~~including~~. The personal care assistant must not determine the medication dose or time for the medication. Assistance with medications includes reminders to take medication, bringing medication to the recipient, and assistance with opening medication under the direction of the recipient or responsible party, including medications given through a nebulizer;

(3) interventions for seizure disorders, including monitoring and observation; and

(4) other activities considered within the scope of the personal care service and meeting the definition of health-related procedures and tasks under this section.

(d) A personal care assistant may provide health-related procedures and tasks associated with the complex health-related needs of a recipient if the procedures and tasks meet the definition of health-related procedures and tasks under this section and the personal care assistant is trained by a qualified professional and demonstrates competency to safely complete the procedures and tasks. Delegation of health-related procedures and tasks and all training must be documented in the personal care assistance care plan and the recipient's and personal care assistant's files.

(e) Effective January 1, 2010, for a personal care assistant to provide the health-related procedures and tasks of tracheostomy suctioning and services to recipients on ventilator support there must be:

- (1) delegation and training by a registered nurse, certified or licensed respiratory therapist, or a physician;
- (2) utilization of clean rather than sterile procedure;
- (3) specialized training about the health-related procedures and tasks and equipment, including ventilator operation and maintenance;
- (4) individualized training regarding the needs of the recipient; and
- (5) supervision by a qualified professional who is a registered nurse.

(f) Effective January 1, 2010, a personal care assistant may observe and redirect the recipient for episodes where there is a need for redirection due to behaviors. Training of the personal care assistant must occur based on the needs of the recipient, the personal care assistance care plan, and any other support services provided.

(g) Instrumental activities of daily living under subdivision 1, paragraph (i).

Sec. 3. Minnesota Statutes 2010, section 256B.0659, subdivision 3a, is amended to read:

Subd. 3a. **Assessment; defined.** This subdivision is effective until notification is given by the commissioner as described under section 256B.0911, subdivision 3a. "Assessment" means a review and evaluation of a recipient's need for ~~home~~ personal care assistance services conducted in person. Assessments for personal care assistance services shall be conducted by the county public health nurse or a certified public health nurse under contract with the county except when a long-term care consultation is being conducted for the purposes of determining a person's eligibility for home and community-based waiver services according to section 256B.0911 and the support plan may include personal care assistance services. An in-person assessment must include: documentation of health status, determination of need, evaluation of service effectiveness, identification of appropriate services, service plan development or modification, coordination of services, referrals and follow-up to appropriate payers and community resources, completion of required reports, recommendation of service authorization, and consumer education. Once the need for personal care assistance services is determined under this section or sections 256B.0651, 256B.0653, 256B.0654, and 256B.0656, the county public health nurse or certified public health nurse under contract with the county is responsible for communicating this recommendation to the commissioner and the recipient. An in-person assessment must occur at least annually or when there is a significant change in the recipient's condition or when there is a change in the need for personal care assistance services. A service update may substitute for the annual face-to-face assessment when there is not a significant change in recipient condition or a change in the need for personal care assistance service. A service update may be completed by telephone, used when there is no need for an increase in personal care assistance services, and used for two consecutive assessments if followed by a face-to-face assessment. A service update must be completed on a form approved by the commissioner. A service update or review for temporary increase includes a review of initial baseline data, evaluation of service effectiveness, redetermination of service need, modification of service plan and appropriate referrals, update of initial forms, obtaining service authorization, and ongoing consumer education. Assessments or reassessments must be completed on forms provided by the commissioner within ~~30~~ 20 days of a request for home care services by a recipient or responsible party ~~or personal care provider agency.~~

Sec. 4. Minnesota Statutes 2010, section 256B.0659, subdivision 4, is amended to read:

Subd. 4. **Assessment for personal care assistance services; limitations.** (a) An assessment as defined in subdivision 3a must be completed for personal care assistance services.

(b) The following limitations apply to the assessment:

(1) a person must be assessed as dependent in an activity of daily living ~~based on the person's daily need or need on the days during the week the activity is completed for:~~

~~(i) cuing and constant supervision to complete the task; or~~

~~(ii) hands-on assistance to complete the task; and if the need for assistance meets the definition of dependency defined in subdivision 1, paragraph (e), except as noted in subdivision 2; and~~

(2) a child may not be found to be dependent in an activity of daily living if because of the child's age an adult would either perform the activity for the child or assist the child with the activity. Assistance needed is the assistance appropriate for a typical child of the same age.

(c) Assessment for complex health-related needs must meet the criteria in this paragraph. During the assessment process, a recipient qualifies as having complex health-related needs if the recipient has one or more of the interventions that are ordered by a physician, specified in a personal care assistance care plan, and found in the following:

(1) tube feedings requiring:

(i) a gastrojejunostomy tube; or

(ii) continuous tube feeding lasting longer than 12 hours per day;

(2) wounds described as:

(i) stage III or stage IV;

(ii) multiple wounds;

(iii) requiring sterile or clean dressing changes or a wound vac; or

(iv) open lesions such as burns, fistulas, tube sites, or ostomy sites that require specialized care;

(3) parenteral therapy described as:

(i) IV therapy more than two times per week lasting longer than four hours for each treatment; or

(ii) total parenteral nutrition (TPN) daily;

(4) respiratory interventions, including:

(i) oxygen required more than eight hours per day;

(ii) respiratory vest more than one time per day;

(iii) bronchial drainage treatments more than two times per day;

- (iv) sterile or clean suctioning more than six times per day;
  - (v) dependence on another to apply respiratory ventilation augmentation devices such as BiPAP and CPAP; and
  - (vi) ventilator dependence under section 256B.0652;
  - (5) insertion and maintenance of catheter, including:
    - (i) sterile catheter changes more than one time per month;
    - (ii) clean intermittent catheterization, and including self-catheterization more than six times per day; or
    - (iii) bladder irrigations;
  - (6) bowel program more than two times per week requiring more than 30 minutes to perform each time;
  - (7) neurological intervention, including:
    - (i) seizures more than two times per week and requiring significant physical assistance to maintain safety; or
    - (ii) swallowing disorders diagnosed by a physician and requiring specialized assistance from another on a daily basis; and
  - (8) other congenital or acquired diseases creating a need for significantly increased direct hands-on assistance and interventions in six to eight activities of daily living.
- (d) An assessment of behaviors must meet the criteria in this paragraph. A recipient qualifies as having a need for assistance due to behaviors if the recipient's behavior requires assistance at least four times per week and shows one or more of the following behaviors:
- (1) physical aggression towards self or others, or destruction of property that requires the immediate response of another person;
  - (2) increased vulnerability due to cognitive deficits or socially inappropriate behavior; or
  - (3) increased need for assistance for recipients who are verbally aggressive and or resistive to care such that the time needed to perform activities of daily living is increased.

Sec. 5. Minnesota Statutes 2010, section 256B.0911, subdivision 1, is amended to read:

Subdivision 1. **Purpose and goal.** (a) The purpose of long-term care consultation services is to assist persons with long-term or chronic care needs in making ~~long-term~~ care decisions and selecting support and service options that meet their needs and reflect their preferences. The availability of, and access to, information and other types of assistance, including assessment and support planning, is also intended to prevent or delay ~~certified nursing facility~~ institutional placements and to provide access to transition assistance after admission. Further, the goal of these services is to contain costs associated with unnecessary ~~certified nursing facility~~ institutional admissions. Long-term consultation services must be available to any person regardless of public program eligibility. The commissioner of human services shall seek to maximize use of available federal and state funds and establish the broadest program possible within the funding available.

(b) These services must be coordinated with long-term care options counseling provided under section 256.975, subdivision 7, and section 256.01, subdivision 24, ~~for telephone assistance and follow up and to offer a variety of cost-effective alternatives to persons with disabilities and elderly persons.~~ The county or tribal lead agency or managed care plan providing long-term care consultation services shall encourage the use of volunteers from families, religious organizations, social clubs, and similar civic and service organizations to provide community-based services.

Sec. 6. Minnesota Statutes 2010, section 256B.0911, subdivision 1a, is amended to read:

Subd. 1a. **Definitions.** For purposes of this section, the following definitions apply:

(a) "Long-term care consultation services" means:

(1) intake for and access to assistance in identifying services needed to maintain an individual in the most inclusive environment;

(2) providing recommendations ~~on~~ for and referrals to cost-effective community services that are available to the individual;

(3) development of an individual's person-centered community support plan;

(4) providing information regarding eligibility for Minnesota health care programs;

(5) face-to-face long-term care consultation assessments, which may be completed in a hospital, nursing facility, intermediate care facility for persons with developmental disabilities (ICF/DDs), regional treatment centers, or the person's current or planned residence;

(6) federally mandated preadmission screening ~~to determine the need for an institutional level of care activities described under subdivision~~ subdivisions 4a and 4b;

(7) determination of home and community-based waiver and other service eligibility as required under sections 256B.0913, 256B.0915, and 256B.49, including level of care determination for individuals who need an institutional level of care as defined under section 144.0724, subdivision 11, ~~or 256B.092, service eligibility including state plan home care services identified in sections 256B.0625, subdivisions 6, 7, and 19, paragraphs (a) and (c), and 256B.0657, based on assessment and community support plan development with, appropriate referrals to obtain necessary diagnostic information, and including ~~the option~~ an eligibility determination for consumer-directed community supports;~~

(8) providing recommendations for nursing facility institutional placement when there are no cost-effective community services available; and

(9) providing access to assistance to transition people back to community settings after facility institutional admission.

(b) Upon statewide implementation of lead agency requirements in subdivisions 2b, 2c, and 3a, "long-term care consultation services" also means:

(1) service eligibility determination for state plan home care services identified in:

(i) section 256B.0625, subdivisions 7, 19a, and 19c;

(ii) section 256B.0657; or

(iii) consumer support grants under section 256.476;

(2) notwithstanding provisions in Minnesota Rules, parts 9525.0004 to 9525.0024, determination of eligibility for case management services available under sections 256B.0621, subdivision 2, paragraph (4), and 256B.0924 and Minnesota Rules, part 9525.0016, and also includes obtaining necessary diagnostic information;

(3) determination of institutional level of care, waiver, and other service eligibility as required under section 256B.092, determination of eligibility for family support grants under section 252.32, semi-independent living services under section 252.275, and day training and habilitation services under section 256B.092;

~~(8)~~ (4) providing recommendations for ~~nursing facility~~ institutional placement when there are no cost-effective community services available; and

~~(9)~~ (5) providing access to assistance to transition people back to community settings after ~~facility~~ institutional admission.

~~(b)~~ (c) "Long-term care options counseling" means the services provided by the linkage lines as mandated by sections 256.01 and 256.975, subdivision 7, and also includes telephone assistance and follow up once a long-term care consultation assessment has been completed.

~~(e)~~ (d) "Minnesota health care programs" means the medical assistance program under chapter 256B and the alternative care program under section 256B.0913.

~~(d)~~ (e) "Lead agencies" means counties administering or ~~a collaboration of counties,~~ tribes, and health plans administering under contract with the commissioner to administer long-term care consultation assessment and support planning services.

Sec. 7. Minnesota Statutes 2010, section 256B.0911, subdivision 2b, is amended to read:

Subd. 2b. **Certified assessors.** (a) ~~Beginning January 1, 2011, This section is effective upon completion of the training and certification process identified in subdivision 2c.~~ Each lead agency shall use certified assessors who have completed training and the certification processes determined by the commissioner in subdivision 2c. Certified assessors shall demonstrate best practices in assessment and support planning including person-centered planning principals and have a common set of skills that must ensure consistency and equitable access to services statewide. ~~Assessors must be part of a multidisciplinary team of professionals that includes public health nurses, social workers, and other professionals as defined in paragraph (b). For persons with complex health care needs, a public health nurse or registered nurse from a multidisciplinary team must be consulted.~~ A lead agency may choose, according to departmental policies, to contract with a qualified, certified assessor to conduct assessments and reassessments on behalf of the lead agency.

(b) Certified assessors are persons with a minimum of a bachelor's degree in social work, nursing with a public health nursing certificate, or other closely related field with at least one year of home and community-based experience or a two-year registered nursing degree with at least three years of home and community-based experience that have received training and certification specific to assessment and consultation for long-term care services in the state.

Sec. 8. Minnesota Statutes 2010, section 256B.0911, subdivision 2c, is amended to read:

Subd. 2c. **Assessor training and certification.** The commissioner shall develop and implement a curriculum and an assessor certification process ~~to begin no later than January 1, 2010.~~ All existing lead agency staff designated to provide the services defined in subdivision 1a must be certified ~~by December 30, 2010, within timelines specified by the commissioner, but no sooner than six months after statewide availability of the training and certification process.~~ The commissioner must establish the timelines for training and certification in such a

manner that allows lead agencies to most efficiently adopt the automated process established in subdivision 5. Each lead agency is required to ensure that they have sufficient numbers of certified assessors to provide long-term consultation assessment and support planning within the timelines and parameters of the service ~~by January 1, 2011.~~ Certified assessors are required to be recertified every three years.

Sec. 9. Minnesota Statutes 2010, section 256B.0911, subdivision 3, is amended to read:

Subd. 3. **Long-term care consultation team.** (a) ~~Until January 1, 2011,~~ A long-term care consultation team shall be established by the county board of commissioners. Each local consultation team shall consist of at least one social worker and at least one public health nurse from their respective county agencies. The board may designate public health or social services as the lead agency for long-term care consultation services. If a county does not have a public health nurse available, it may request approval from the commissioner to assign a county registered nurse with at least one year experience in home care to participate on the team. Two or more counties may collaborate to establish a joint local consultation team or teams.

(b) Certified assessors must be part of a multidisciplinary team of professionals that includes public health nurses, social workers, and other professionals as defined in subdivision 2b, paragraph (b). The team is responsible for providing long-term care consultation services to all persons located in the county who request the services, regardless of eligibility for Minnesota health care programs.

(c) The commissioner shall allow arrangements and make recommendations that encourage counties and tribes to collaborate to establish joint local long-term care consultation teams to ensure that long-term care consultations are done within the timelines and parameters of the service. This includes integrated service models as required in subdivision 1, paragraph (b).

(d) Tribes and health plans under contract with the commissioner must provide long-term care consultation services as specified in the contract.

Sec. 10. Minnesota Statutes 2010, section 256B.0911, subdivision 3a, is amended to read:

Subd. 3a. **Assessment and support planning.** (a) Persons requesting assessment, services planning, or other assistance intended to support community-based living, including persons who need assessment in order to determine waiver or alternative care program eligibility, must be visited by a long-term care consultation team within ~~15~~ 20 calendar days after the date on which an assessment was requested or recommended. ~~After January 1, 2011~~ Upon statewide implementation of subdivisions 2b, 2c, and 5, these requirements this requirement also apply applies to assessment of persons requesting personal care assistance services, and private duty nursing, ~~and home health agency services, on timelines established in subdivision 5.~~ The commissioner shall provide at least a 90-day notice to lead agencies prior to the effective date of this requirement. Face-to-face assessments must be conducted according to paragraphs (b) to (i).

(b) The county may utilize a team of either the social worker or public health nurse, or both. ~~After January 1, 2011~~ Upon implementation of subdivisions 2b, 2c, and 5, lead agencies shall use certified assessors to conduct the ~~assessment in a face to face interview assessments.~~ The consultation team members must confer regarding the most appropriate care for each individual screened or assessed. For persons with complex health care needs, a public health or registered nurse from the team must be consulted.

(c) The assessment must be comprehensive and include a person-centered assessment of the health, psychological, functional, environmental, and social needs of referred individuals and provide information necessary to develop a community support plan that meets the consumers needs, using an assessment form provided by the commissioner.

(d) The assessment must be conducted in a face-to-face interview with the person being assessed and the person's legal representative, ~~as required by legally executed documents~~, and other individuals as requested by the person, who can provide information on the needs, strengths, and preferences of the person necessary to develop a community support plan that ensures the person's health and safety, but who is not a provider of service or has any financial interest in the provision of services.

~~(e) The person, or the person's legal representative, must be provided with written recommendations for community based services, including consumer directed options, or institutional care that include documentation that the most cost effective alternatives available were offered to the individual. For purposes of this requirement, "cost effective alternatives" means community services and living arrangements that cost the same as or less than institutional care.~~

~~(f)~~ (e) If the person chooses to use community-based services, the person or the person's legal representative must be provided with a written community support plan within 40 calendar days of the assessment visit, regardless of whether the individual is eligible for Minnesota health care programs. The written community support plan must include:

(1) a summary of assessed needs as defined in paragraphs (c) and (d);

(2) the individual's options and choices to meet identified needs, including all available options for case management services and providers;

(3) identification of health and safety risks and how those risks will be addressed, including personal risk management strategies;

(4) referral information; and

(5) informal caregiver supports, if applicable.

For persons determined eligible for services defined under subdivision 1a, paragraphs (a), clause (7), and (b), the community support plan must also include the estimated annual and monthly budget amount for those services. In addition, for persons determined eligible for state plan home care under subdivision 1a, paragraph (b), clause (1), the person or person's representative must also receive a copy of the home care service plan developed by the certified assessor.

(f) A person may request assistance in identifying community supports without participating in a complete assessment. Upon a request for assistance identifying community support, the person must be transferred or referred to ~~the~~ long-term care options counseling services available under sections 256.975, subdivision 7, and 256.01, subdivision 24, for telephone assistance and follow up.

(g) The person has the right to make the final decision between institutional placement and community placement after the recommendations have been provided, except as provided in subdivision 4a, paragraph (c).

(h) The ~~team~~ lead agency must give the person receiving assessment or support planning, or the person's legal representative, materials, and forms supplied by the commissioner containing the following information:

(1) written recommendations for community-based services and consumer-directed options;

(2) documentation that the most cost-effective alternatives available were offered to the individual. For purposes of this clause, "cost-effective" means community services and living arrangements that cost the same as or less than institutional care;



(3) the need for and purpose of preadmission screening if the person selects nursing facility placement;

~~(2)~~ (4) the role of ~~the~~ long-term care consultation assessment and support planning in ~~waiver and alternative care program~~ eligibility determination for waiver and alternative care programs, and state plan home care, case management, and other services as defined in subdivision 1a, paragraphs (a), clause (7), and (b);

~~(3)~~ (5) information about Minnesota health care programs;

~~(4)~~ (6) the person's freedom to accept or reject the recommendations of the team;

~~(5)~~ (7) the person's right to confidentiality under the Minnesota Government Data Practices Act, chapter 13;

~~(6)~~ (8) the ~~long term care consultant's~~ certified assessor's decision regarding the person's need for institutional level of care as determined under criteria established in section 144.0724, subdivision 11, or 256B.092 and the certified assessor's decision regarding eligibility for all services and programs as defined in subdivision 1a, paragraphs (a), clause (7), and (b); and

~~(7)~~ (9) the person's right to appeal any certified assessor's decision regarding eligibility for all services and programs as defined in subdivision 1a, paragraphs (a), clause (7), and (b), and incorporating the decision regarding the need for ~~nursing facility~~ institutional level of care or the ~~county's~~ lead agency's final decisions regarding public programs eligibility according to section 256.045, subdivision 3.

(i) Face-to-face assessment completed as part of eligibility determination for the alternative care, elderly waiver, community alternatives for disabled individuals, community alternative care, and traumatic brain injury waiver programs under sections 256B.0913, 256B.0915, 256B.0917, and 256B.49 is valid to establish service eligibility for no more than 60 calendar days after the date of assessment. The effective eligibility start date for these programs can never be prior to the date of assessment. If an assessment was completed more than 60 days before the effective waiver or alternative care program eligibility start date, assessment and support plan information must be updated in a face-to-face visit and documented in the department's Medicaid Management Information System (MMIS). Notwithstanding retroactive medical assistance coverage of state plan services, the effective date of ~~program~~ eligibility in this case for programs included in this item cannot be prior to the date the most recent updated assessment is completed.

Sec. 11. Minnesota Statutes 2010, section 256B.0911, subdivision 3b, is amended to read:

Subd. 3b. **Transition assistance.** (a) ~~A long term care consultation team~~ Lead agency certified assessors shall provide assistance to persons residing in a nursing facility, hospital, regional treatment center, or intermediate care facility for persons with developmental disabilities who request or are referred for assistance. Transition assistance must include assessment, community support plan development, referrals to long-term care options counseling under section ~~256B.975~~ 256.975, subdivision ~~40~~ 7, for community support plan implementation and to Minnesota health care programs, including home and community-based waiver services and consumer-directed options through the waivers, and referrals to programs that provide assistance with housing. Transition assistance must also include information about the Centers for Independent Living ~~and the Senior LinkAge Line, Disability Linkage Line,~~ and about other organizations that can provide assistance with relocation efforts, and information about contacting these organizations to obtain their assistance and support.

(b) The county lead agency shall ~~develop transition processes with institutional social workers and discharge planners to~~ ensure that:

(1) referrals for in-person assessments are taken from long-term care options counselors as provided for in section 256.975, subdivision 7, paragraph (b), clause (11);

(2) persons ~~admitted to facilities~~ assessed in institutions receive information about transition assistance that is available;

~~(2)~~ (3) the assessment is completed for persons within ~~ten working~~ 20 calendar days of the date of request or recommendation for assessment; ~~and~~

~~(3)~~ (4) there is a plan for transition and follow-up for the individual's return to the community. ~~The plan must require, including notification of other local agencies when a person who may require assistance is screened by one county for admission to a facility from agencies located in another county;~~ and

(5) relocation targeted case management as defined in section 256B.0621, subdivision 2, clause (4), is authorized for an eligible medical assistance recipient.

~~(c) If a person who is eligible for a Minnesota health care program is admitted to a nursing facility, the nursing facility must include a consultation team member or the case manager in the discharge planning process.~~

Sec. 12. Minnesota Statutes 2010, section 256B.0911, subdivision 3c, is amended to read:

Subd. 3c. **Transition to housing with services.** (a) Housing with services establishments offering or providing assisted living under chapter 144G shall inform all prospective residents of the availability of and contact information for transitional consultation services under this subdivision prior to executing a lease or contract with the prospective resident. The purpose of transitional long-term care consultation is to support persons with current or anticipated long-term care needs in making informed choices among options that include the most cost-effective and least restrictive settings, and to delay spenddown to eligibility for publicly funded programs by connecting people to alternative services in their homes before transition to housing with services. Regardless of the consultation, prospective residents maintain the right to choose housing with services or assisted living if that option is their preference.

(b) Transitional consultation services are provided as determined by the commissioner of human services in partnership with ~~county~~ long-term care consultation units, and the Area Agencies on Aging, and are a combination of telephone-based and in-person assistance provided under models developed by the commissioner. The consultation shall be performed in a manner that provides objective and complete information. Transitional consultation must be provided within five working days of the request of the prospective resident as follows:

(1) the consultation must be provided by a qualified professional as determined by the commissioner;

(2) the consultation must include a review of the prospective resident's reasons for considering assisted living, the prospective resident's personal goals, a discussion of the prospective resident's immediate and projected long-term care needs, and alternative community services or assisted living settings that may meet the prospective resident's needs; and

(3) the prospective resident shall be informed of the availability of long-term care consultation services described in subdivision 3a that are available at no charge to the prospective resident to assist the prospective resident in assessment and planning to meet the prospective resident's long-term care needs. The Senior LinkAge Line and long-term care consultation team shall give the highest priority to referrals of individuals who are at highest risk of nursing facility placement or as needed for determining eligibility.

Sec. 13. Minnesota Statutes 2010, section 256B.0911, subdivision 4a, is amended to read:

Subd. 4a. **Preadmission screening activities related to nursing facility admissions.** (a) All applicants to Medicaid certified nursing facilities, including certified boarding care facilities, must be screened prior to admission regardless of income, assets, or funding sources for nursing facility care, except as described in subdivision 4b. The purpose of the screening is to determine the need for nursing facility level of care as described in paragraph (d) and to complete activities required under federal law related to mental illness and developmental disability as outlined in paragraph (b).

(b) A person who has a diagnosis or possible diagnosis of mental illness or developmental disability must receive a preadmission screening before admission regardless of the exemptions outlined in subdivision 4b, paragraph (b), to identify the need for further evaluation and specialized services, unless the admission prior to screening is authorized by the local mental health authority or the local developmental disabilities case manager, or unless authorized by the county agency according to Public Law 101-508.

The following criteria apply to the preadmission screening:

(1) the ~~county~~ lead agency must use forms and criteria developed by the commissioner to identify persons who require referral for further evaluation and determination of the need for specialized services; and

(2) the evaluation and determination of the need for specialized services must be done by:

(i) a qualified independent mental health professional, for persons with a primary or secondary diagnosis of a serious mental illness; or

(ii) a qualified developmental disability professional, for persons with a primary or secondary diagnosis of developmental disability. For purposes of this requirement, a qualified developmental disability professional must meet the standards for a qualified developmental disability professional under Code of Federal Regulations, title 42, section 483.430.

(c) The local county mental health authority or the state developmental disability authority under Public Law Numbers 100-203 and 101-508 may prohibit admission to a nursing facility if the individual does not meet the nursing facility level of care criteria or needs specialized services as defined in Public Law Numbers 100-203 and 101-508. For purposes of this section, "specialized services" for a person with developmental disability means active treatment as that term is defined under Code of Federal Regulations, title 42, section 483.440(a)(1).

(d) The determination of the need for nursing facility level of care must be made according to criteria established in section 144.0724, subdivision 11, and 256B.092, using forms developed by the commissioner. In assessing a person's needs, consultation team members shall have a physician available for consultation and shall consider the assessment of the individual's attending physician, if any. The individual's physician must be included if the physician chooses to participate. Other personnel may be included on the team as deemed appropriate by the ~~county~~ lead agency.

Sec. 14. Minnesota Statutes 2010, section 256B.0911, subdivision 4c, is amended to read:

Subd. 4c. **Screening requirements.** (a) A person may be screened for nursing facility admission by telephone or in a face-to-face screening interview. ~~Consultation team members~~ Certified assessors shall identify each individual's needs using the following categories:

(1) the person needs no face-to-face screening interview to determine the need for nursing facility level of care based on information obtained from other health care professionals;

(2) the person needs an immediate face-to-face screening interview to determine the need for nursing facility level of care and complete activities required under subdivision 4a; or

(3) the person may be exempt from screening requirements as outlined in subdivision 4b, but will need transitional assistance after admission or in-person follow-along after a return home.

(b) Persons admitted on a nonemergency basis to a Medicaid-certified nursing facility must be screened prior to admission.

(c) The ~~county~~ lead agency screening or intake activity must include processes to identify persons who may require transition assistance as described in subdivision 3b.

Sec. 15. Minnesota Statutes 2010, section 256B.0911, subdivision 6, is amended to read:

Subd. 6. **Payment for long-term care consultation services.** (a) The total payment for each county must be paid monthly by certified nursing facilities in the county. The monthly amount to be paid by each nursing facility for each fiscal year must be determined by dividing the county's annual allocation for long-term care consultation services by 12 to determine the monthly payment and allocating the monthly payment to each nursing facility based on the number of licensed beds in the nursing facility. Payments to counties in which there is no certified nursing facility must be made by increasing the payment rate of the two facilities located nearest to the county seat.

(b) The commissioner shall include the total annual payment determined under paragraph (a) for each nursing facility reimbursed under section 256B.431 ~~or, 256B.434 according to section 256B.431, subdivision 2b, paragraph (g), or 256B.441.~~

(c) In the event of the layaway, delicensure and decertification, or removal from layaway of 25 percent or more of the beds in a facility, the commissioner may adjust the per diem payment amount in paragraph (b) and may adjust the monthly payment amount in paragraph (a). The effective date of an adjustment made under this paragraph shall be on or after the first day of the month following the effective date of the layaway, delicensure and decertification, or removal from layaway.

(d) Payments for long-term care consultation services are available to the county or counties to cover staff salaries and expenses to provide the services described in subdivision 1a. The county shall employ, or contract with other agencies to employ, within the limits of available funding, sufficient personnel to provide long-term care consultation services while meeting the state's long-term care outcomes and objectives as defined in ~~section 256B.0917,~~ subdivision 1. The county shall be accountable for meeting local objectives as approved by the commissioner in the biennial home and community-based services quality assurance plan on a form provided by the commissioner.

(e) Notwithstanding section 256B.0641, overpayments attributable to payment of the screening costs under the medical assistance program may not be recovered from a facility.

(f) The commissioner of human services shall amend the Minnesota medical assistance plan to include reimbursement for the local consultation teams.

(g) Until the alternative payment methodology in paragraph (h) is implemented, the county may bill, as case management services, assessments, support planning, and follow-along provided to persons determined to be eligible for case management under Minnesota health care programs. No individual or family member shall be charged for an initial assessment or initial support plan development provided under subdivision 3a or 3b.

(h) The commissioner shall develop an alternative payment methodology for long-term care consultation services that includes the funding available under this subdivision, and sections 256B.092 and 256B.0659. In developing the new payment methodology, the commissioner shall consider the maximization of other funding sources, including federal funding, for ~~this~~ all long-term care consultation and preadmission screening activity.

Sec. 16. Minnesota Statutes 2010, section 256B.0913, subdivision 7, is amended to read:

Subd. 7. **Case management.** (a) The provision of case management under the alternative care program is governed by requirements in section 256B.0915, subdivisions 1a and 1b.

(b) The case manager must not approve alternative care funding for a client in any setting in which the case manager cannot reasonably ensure the client's health and safety.

(c) The case manager is responsible for the cost-effectiveness of the alternative care individual ~~care~~ coordinated services and support plan and must not approve any ~~care~~ plan in which the cost of services funded by alternative care and client contributions exceeds the limit specified in section 256B.0915, subdivision 3, paragraph (b).

(d) Case manager responsibilities include those in section 256B.0915, subdivision 1a, paragraph (g).

Sec. 17. Minnesota Statutes 2010, section 256B.0913, subdivision 8, is amended to read:

Subd. 8. **Requirements for individual ~~care~~ coordinated services and support plan.** (a) The case manager shall implement the coordinated services and support plan ~~of care~~ for each alternative care client and ensure that a client's service needs and eligibility are reassessed at least every 12 months. The coordinated services and support plan must meet the requirements in section 256B.0915, subdivision 6. The plan shall include any services prescribed by the individual's attending physician as necessary to allow the individual to remain in a community setting. In developing the individual's care plan, the case manager should include the use of volunteers from families and neighbors, religious organizations, social clubs, and civic and service organizations to support the formal home care services. The lead agency shall be held harmless for damages or injuries sustained through the use of volunteers under this subdivision including workers' compensation liability. The case manager shall provide documentation in each individual's plan ~~of care~~ and, if requested, to the commissioner that the most cost-effective alternatives available have been offered to the individual and that the individual was free to choose among available qualified providers, both public and private, including qualified case management or service coordination providers other than those employed by any county; however, the county or tribe maintains responsibility for prior authorizing services in accordance with statutory and administrative requirements. The case manager must give the individual a ten-day written notice of any denial, termination, or reduction of alternative care services.

(b) The county of service or tribe must provide access to and arrange for case management services, including assuring implementation of the coordinated services and support plan. "County of service" has the meaning given it in Minnesota Rules, part 9505.0015, subpart 11. The county of service must notify the county of financial responsibility of the approved care plan and the amount of encumbered funds.

Sec. 18. Minnesota Statutes 2010, section 256B.0915, subdivision 1a, is amended to read:

Subd. 1a. **Elderly waiver case management services.** (a) ~~Elderly~~ Except as provided to individuals under prepaid medical assistance programs as described in paragraph (h), case management services under the home and community-based services waiver for elderly individuals are available from providers meeting qualification requirements and the standards specified in subdivision 1b. Eligible recipients may choose any qualified provider of ~~elderly~~ case management services.

(b) Case management services assist individuals who receive waiver services in gaining access to needed waiver and other state plan services; and assist individuals in appeals under section 256.045, as well as needed medical, social, educational, and other services regardless of the funding source for the services to which access is gained. Case managers shall collaborate with consumers, families, legal representatives, and relevant medical experts and service providers in the development and periodic review of the coordinated services and support plan.

(c) A case aide shall provide assistance to the case manager in carrying out administrative activities of the case management function. The case aide may not assume responsibilities that require professional judgment including assessments, reassessments, and care plan development. The case manager is responsible for providing oversight of the case aide.

(d) Case managers shall be responsible for ongoing monitoring of the provision of services included in the individual's plan of care. Case managers shall initiate ~~and oversee~~ the process of ~~assessment and~~ reassessment of the individual's ~~care~~ coordinated services and support plan as defined in subdivision 6 and review the plan of care at intervals specified in the federally approved waiver plan.

(e) The county of service or tribe must provide access to and arrange for case management services. County of service has the meaning given it in Minnesota Rules, part 9505.0015, subpart 11.

(f) Except as described in paragraph (h), case management services must be provided by a public or private agency that is enrolled as a medical assistance provider determined by the commissioner to meet all of the requirements in subdivision 1b. Case management services must not be provided to a recipient by a private agency that has a financial interest in the provision of any other services included in the recipient's coordinated service and support plan. For purposes of this section, "private agency" means any agency that is not identified as a lead agency under section 256B.0911, subdivision 1a, paragraph (e).

(g) Case management service activities provided to or arranged for a person include:

(1) development of the coordinated services and support plan under subdivision 6;

(2) informing the individual or the individual's legal guardian or conservator of service options, and options for case management services and providers;

(3) consulting with relevant medical experts or service providers;

(4) assisting the person in the identification of potential providers;

(5) assisting the person to access services;

(6) coordination of services; and

(7) evaluation and monitoring of the services identified in the plan, including at least one annual face-to-face visit by the case manager with each person.

(h) For individuals enrolled in prepaid medical assistance programs under section 256B.69, subdivisions 6b and 23, the health plan shall provide or arrange to provide elderly waiver case management services in paragraph (g), as part of an integrated delivery system as described in section 256B.69, subdivision 23, and in accordance with contract requirements established by the commissioner.

Sec. 19. Minnesota Statutes 2010, section 256B.0915, subdivision 1b, is amended to read:

Subd. 1b. **Provider qualifications and standards.** (a) The commissioner must enroll qualified providers of elderly case management services under the home and community-based waiver for the elderly under section 1915(c) of the Social Security Act. The enrollment process shall ensure the provider's ability to meet the qualification requirements and standards in this subdivision and other federal and state requirements of this service. An elderly A case management provider is an enrolled medical assistance provider who is determined by the commissioner to have all of the following characteristics:

(1) the demonstrated capacity and experience to provide the components of case management to coordinate and link community resources needed by the eligible population;

(2) administrative capacity and experience in serving the target population for whom it will provide services and in ensuring quality of services under state and federal requirements;

(3) a financial management system that provides accurate documentation of services and costs under state and federal requirements;

(4) the capacity to document and maintain individual case records under state and federal requirements; and

(5) the lead agency may allow a case manager employed by the lead agency to delegate certain aspects of the case management activity to another individual employed by the lead agency provided there is oversight of the individual by the case manager. The case manager may not delegate those aspects which require professional judgment including assessments, reassessments, and ~~care~~ coordinated services and support plan development. Lead agencies include counties, health plans, and federally recognized tribes who authorize services under this section.

(b) A health plan shall provide or arrange to provide elderly waiver case management services in subdivision 1a, paragraph (g), as part of an integrated delivery system as described in section 256B.69, subdivision 23, and in accordance with contract requirements established by the commissioner related to provider standards and qualifications.

Sec. 20. Minnesota Statutes 2010, section 256B.0915, subdivision 3c, is amended to read:

Subd. 3c. **Service approval and contracting provisions.** (a) Medical assistance funding for skilled nursing services, private duty nursing, home health aide, and personal care services for waiver recipients must be approved by the case manager and included in the ~~individual care~~ coordinated services and support plan.

(b) A lead agency is not required to contract with a provider of supplies and equipment if the monthly cost of the supplies and equipment is less than \$250.

Sec. 21. Minnesota Statutes 2010, section 256B.0915, subdivision 6, is amended to read:

Subd. 6. **Implementation of ~~care~~ coordinated services and support plan.** (a) Each elderly waiver client shall be provided a copy of a written ~~care~~ coordinated services and support plan that meets the requirements outlined in section 256B.0913, subdivision 8. The care plan must be implemented by the county of service when it is different than the county of financial responsibility. The county of service administering waived services must notify the county of financial responsibility of the approved care plan. that:

(1) is developed and signed by the recipient within ten working days after the case manager receives the community support plan from the certified assessor;

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

(3) reasonably ensures the health and safety of the recipient;

(4) identifies the person's preferences for services as stated by the person or the person's legal guardian or conservator;

(5) reflects the person's informed choice between institutional and community-based services, as well as choice of services, supports, and providers, including available case manager providers;

(6) identifies long and short-range goals for the person;

(7) identifies specific services and the amount, frequency, duration, and cost of the services to be provided to the person based on assessed needs, preferences, and available resources; and

(8) includes information about the right to appeal decisions under section 256.045;

(b) In developing the coordinated services and support plan, the case manager should also include the use of volunteers, religious organizations, social clubs, and civic and service organizations to support the individual in the community. The lead agency must be held harmless for damages or injuries sustained through the use of volunteers and agencies under this paragraph, including workers' compensation liability.

Sec. 22. Minnesota Statutes 2010, section 256B.0915, subdivision 10, is amended to read:

Subd. 10. **Waiver payment rates; managed care organizations.** The commissioner shall adjust the elderly waiver capitation payment rates for managed care organizations paid under section 256B.69, subdivisions ~~6a~~ 6b and 23, to reflect the maximum service rate limits for customized living services and 24-hour customized living services under subdivisions 3e and 3h for the contract period beginning October 1, 2009. Medical assistance rates paid to customized living providers by managed care organizations under this section shall not exceed the maximum service rate limits determined by the commissioner under subdivisions 3e and 3h.

Sec. 23. Minnesota Statutes 2010, section 256B.092, subdivision 1, is amended to read:

Subdivision 1. **County of financial responsibility; duties.** Before any services shall be rendered to persons with developmental disabilities who are in need of social service and medical assistance, the county of financial responsibility shall conduct or arrange for a diagnostic evaluation in order to determine whether the person has or may have a developmental disability or has or may have a related condition. If the county of financial responsibility determines that the person has a developmental disability, the county shall inform the person of case management services available under this section. Except as provided in subdivision 1g or 4b, if a person is diagnosed as having a developmental disability, the county of financial responsibility shall conduct or arrange for a needs assessment by a certified assessor, and develop or arrange for an individual service a community support plan according to section 256B.0911, provide or arrange for ongoing case management services at the level identified in the individual service plan, provide or arrange for case management administration, and authorize services identified in the person's individual service coordinated services and support plan developed according to subdivision 1b. Diagnostic information, obtained by other providers or agencies, may be used by the county agency in determining eligibility for case management. Nothing in this section shall be construed as requiring: (1) assessment in areas agreed to as unnecessary by ~~the case manager~~ a certified assessor and the person, or the person's legal guardian or conservator, or the parent if the person is a minor, or (2) assessments in areas where there has been a functional assessment completed in the previous 12 months for which the ~~case manager certified assessor~~ and the person or person's guardian or conservator, or the parent if the person is a minor, agree that further assessment is not necessary. For persons under state guardianship, the ~~case manager certified assessor~~ shall seek authorization from the public guardianship office for waiving any assessment requirements. Assessments related to health, safety, and protection of the person for the purpose of identifying service type, amount, and frequency or assessments required to authorize services may not be waived. To the extent possible, for wards of the commissioner the county shall consider the opinions of the parent of the person with a developmental disability when developing the person's ~~individual service community support plan and coordinated services and support plan.~~

Sec. 24. Minnesota Statutes 2010, section 256B.092, subdivision 1a, is amended to read:

Subd. 1a. **Case management ~~administration and services.~~** (a) ~~The administrative functions of case management provided to or arranged for a person include:~~ Each recipient of a home and community-based waiver shall be provided case management services by qualified vendors as described in the federally approved waiver application.

~~(1) review of eligibility for services;~~

~~(2) screening;~~



~~(3) intake;~~

~~(4) diagnosis;~~

~~(5) the review and authorization of services based upon an individualized service plan; and~~

~~(6) responding to requests for conciliation conferences and appeals according to section 256.045 made by the person, the person's legal guardian or conservator, or the parent if the person is a minor.~~

(b) Case management service activities provided to or arranged for a person include:

(1) development of the ~~individual service~~ coordinated services and support plan under subdivision 1b;

(2) informing the individual or the individual's legal guardian or conservator, or parent if the person is a minor, of service options;

(3) consulting with relevant medical experts or service providers;

(4) assisting the person in the identification of potential providers;

(5) assisting the person to access services and assisting in appeals under section 256.045;

(6) coordination of services, if coordination is not provided by another service provider;

(7) evaluation and monitoring of the services identified in the coordinated services and support plan, which must incorporate at least one annual face-to-face visit by the case manager with each person; and

(8) annual reviews of service plans and services provided review and provide the lead agency with recommendations for service authorization based upon the individual's needs identified in the coordinated services and support plan.

(c) Case management ~~administration and~~ service activities that are provided to the person with a developmental disability shall be provided directly by county agencies or under contract. Case management services must be provided by a public or private agency that is enrolled as a medical assistance provider determined by the commissioner to meet all of the requirements in the approved federal waiver plans. Case management services must not be provided to a recipient by a private agency that has a financial interest in the provision of any other services included in the recipient's coordinated services and support plan. For purposes of this section, "private agency" means any agency that is not identified as a lead agency under section 256B.0911, subdivision 1a, paragraph (d).

(d) Case managers are responsible for ~~the administrative duties and~~ service provisions listed in paragraphs (a) and (b). Case managers shall collaborate with consumers, families, legal representatives, and relevant medical experts and service providers in the development and annual review of the ~~individualized service~~ coordinated services and support plan and habilitation plans plan.

(e) The Department of Human Services shall offer ongoing education in case management to case managers. Case managers shall receive no less than ten hours of case management education and disability-related training each year.

Sec. 25. Minnesota Statutes 2010, section 256B.092, subdivision 1b, is amended to read:

Subd. 1b. **Individual Coordinated service and support plan.** ~~The individual service plan must~~ (a) Each recipient of home and community-based waived services shall be provided a copy of the written coordinated service and support plan which:

(1) is developed and signed by the recipient within ten working days after the case manager receives the community support plan from the certified assessor;

~~(1) include~~ (2) includes the results of the assessment information on the person's need for service, including identification of service needs that will be or that are met by the person's relatives, friends, and others, as well as community services used by the general public;

(3) reasonably ensures the health and safety of the recipient;

~~(2) identify~~ (4) identifies the person's preferences for services as stated by the person, the person's legal guardian or conservator, or the parent if the person is a minor;

(5) provides for an informed choice, as defined in section 256B.77, subdivision 2, paragraph (o), of service and support providers, and identifies all available options for case management services and providers;

~~(3) identify~~ (6) identifies long- and short-range goals for the person;

~~(4) identify~~ (7) identifies specific services and the amount and frequency of the services to be provided to the person based on assessed needs, preferences, and available resources. The ~~individual service~~ coordinated service and support plan shall also specify other services the person needs that are not available;

~~(5) identify~~ (8) identifies the need for an individual program plan to be developed by the provider according to the respective state and federal licensing and certification standards, and additional assessments to be completed or arranged by the provider after service initiation;

~~(6) identify~~ (9) identifies provider responsibilities to implement and make recommendations for modification to the ~~individual service~~ coordinated service and support plan;

~~(7) include~~ (10) includes notice of the right to request a conciliation conference or a hearing under section 256.045;

~~(8) be~~ (11) is agreed upon and signed by the person, the person's legal guardian or conservator, or the parent if the person is a minor, and the authorized county representative; and

~~(9) be~~ (12) is reviewed by a health professional if the person has overriding medical needs that impact the delivery of services.

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

(b) In developing the coordinated services and support plan, the case manager is encouraged to include the use of volunteers, religious organizations, social clubs, and civic and service organizations to support the individual in the community. The lead agency must be held harmless for damages or injuries sustained through the use of volunteers and agencies under this paragraph, including workers' compensation liability.

Sec. 26. Minnesota Statutes 2010, section 256B.092, subdivision 1e, is amended to read:

Subd. 1e. **Coordination, evaluation, and monitoring of services.** (a) If the ~~individual service coordinated service and support~~ plan identifies the need for individual program plans for authorized services, the case manager shall assure that individual program plans are developed by the providers according to clauses (2) to (5). The providers shall assure that the individual program plans:

- (1) are developed according to the respective state and federal licensing and certification requirements;
- (2) are designed to achieve the goals of the ~~individual-service~~ coordinated service and support plan;
- (3) are consistent with other aspects of the ~~individual-service~~ coordinated service and support plan;
- (4) assure the health and safety of the person; and
- (5) are developed with consistent and coordinated approaches to services among the various service providers.

(b) The case manager shall monitor the provision of services:

(1) to assure that the ~~individual-service~~ coordinated service and support plan is being followed according to paragraph (a);

(2) to identify any changes or modifications that might be needed in the ~~individual-service~~ coordinated service and support plan, including changes resulting from recommendations of current service providers;

(3) to determine if the person's legal rights are protected, and if not, notify the person's legal guardian or conservator, or the parent if the person is a minor, protection services, or licensing agencies as appropriate; and

(4) to determine if the person, the person's legal guardian or conservator, or the parent if the person is a minor, is satisfied with the services provided.

(c) If the provider fails to develop or carry out the individual program plan according to paragraph (a), the case manager shall notify the person's legal guardian or conservator, or the parent if the person is a minor, the provider, the respective licensing and certification agencies, and the county board where the services are being provided. In addition, the case manager shall identify other steps needed to assure the person receives the services identified in the ~~individual-service~~ coordinated service and support plan.

Sec. 27. Minnesota Statutes 2010, section 256B.092, subdivision 1g, is amended to read:

Subd. 1g. **Conditions not requiring development of ~~individual-service~~ coordinated service and support plan.** Unless otherwise required by federal law, the county agency is not required to complete ~~an individual-service~~ a coordinated service and support plan as defined in subdivision 1b for:

(1) persons whose families are requesting respite care for their family member who resides with them, or whose families are requesting a family support grant and are not requesting purchase or arrangement of habilitative services; and

(2) persons with developmental disabilities, living independently without authorized services or receiving funding for services at a rehabilitation facility as defined in section 268A.01, subdivision 6, and not in need of or requesting additional services.

Sec. 28. Minnesota Statutes 2010, section 256B.092, subdivision 2, is amended to read:

Subd. 2. **Medical assistance.** To assure quality case management to those persons who are eligible for medical assistance, the commissioner shall, upon request:

(1) provide consultation on the case management process;

(2) assist county agencies in the ~~screening and~~ annual reviews of clients review process to assure that appropriate levels of service are provided to persons;

- (3) provide consultation on service planning and development of services with appropriate options;
- (4) provide training and technical assistance to county case managers; and
- (5) authorize payment for medical assistance services according to this chapter and rules implementing it.

Sec. 29. Minnesota Statutes 2010, section 256B.092, subdivision 3, is amended to read:

Subd. 3. **Authorization and termination of services.** County agency case managers, under rules of the commissioner, shall authorize and terminate services of community and regional treatment center providers according to ~~individual service support~~ plans. Services provided to persons with developmental disabilities may only be authorized and terminated by case managers or certified assessors according to (1) rules of the commissioner and (2) the ~~individual service support~~ plan as defined in subdivision 1b and section 256B.0911. Medical assistance services not needed shall not be authorized by county agencies or funded by the commissioner. When purchasing or arranging for unlicensed respite care services for persons with overriding health needs, the county agency shall seek the advice of a health care professional in assessing provider staff training needs and skills necessary to meet the medical needs of the person.

Sec. 30. Minnesota Statutes 2010, section 256B.092, subdivision 5, is amended to read:

Subd. 5. **Federal waivers.** (a) The commissioner shall apply for any federal waivers necessary to secure, to the extent allowed by law, federal financial participation under United States Code, title 42, sections 1396 et seq., as amended, for the provision of services to persons who, in the absence of the services, would need the level of care provided in a regional treatment center or a community intermediate care facility for persons with developmental disabilities. The commissioner may seek amendments to the waivers or apply for additional waivers under United States Code, title 42, sections 1396 et seq., as amended, to contain costs. The commissioner shall ensure that payment for the cost of providing home and community-based alternative services under the federal waiver plan shall not exceed the cost of intermediate care services including day training and habilitation services that would have been provided without the waived services.

The commissioner shall seek an amendment to the 1915c home and community-based waiver to allow properly licensed adult foster care homes to provide residential services to up to five individuals with developmental disabilities. If the amendment to the waiver is approved, adult foster care providers that can accommodate five individuals shall increase their capacity to five beds, provided the providers continue to meet all applicable licensing requirements.

(b) The commissioner, in administering home and community-based waivers for persons with developmental disabilities, shall ensure that day services for eligible persons are not provided by the person's residential service provider, unless the person or the person's legal representative is offered a choice of providers and agrees in writing to provision of day services by the residential service provider. The ~~individual service coordinated service and support~~ plan for individuals who choose to have their residential service provider provide their day services must describe how health, safety, protection, and habilitation needs will be met, including how frequent and regular contact with persons other than the residential service provider will occur. The ~~individualized service coordinated service and support~~ plan must address the provision of services during the day outside the residence on weekdays.

(c) When a ~~county~~ lead agency is evaluating denials, reductions, or terminations of home and community-based services under section 256B.0916 for an individual, the ~~case manager~~ lead agency shall offer to meet with the individual or the individual's guardian in order to discuss the prioritization of service needs within the ~~individualized service coordinated service and support~~ plan. The reduction in the authorized services for an individual due to changes in funding for waived services may not exceed the amount needed to ensure medically necessary services to meet the individual's health, safety, and welfare.

Sec. 31. Minnesota Statutes 2010, section 256B.092, subdivision 7, is amended to read:

Subd. 7. **Screening teams Assessments.** (a) Assessments and reassessments shall be conducted by certified assessors according to section 256B.0911, and must incorporate appropriate referrals to determine eligibility for case management under subdivision 1a.

~~(b) For persons with developmental disabilities, screening teams shall be established which a certified assessor shall evaluate the need for the level of care provided by residential-based habilitation services, residential services, training and habilitation services, and nursing facility services. The evaluation assessment shall address whether home and community-based services are appropriate for persons who are at risk of placement in an intermediate care facility for persons with developmental disabilities, or for whom there is reasonable indication that they might require this level of care. The screening team certified assessor shall make an evaluation of need within 60 working days of a request for service by a person with a developmental disability, and within five working days of an emergency admission of a person to an intermediate care facility for persons with developmental disabilities. The screening team shall consist of the case manager for persons with developmental disabilities, the person, the person's legal guardian or conservator, or the parent if the person is a minor, and a qualified developmental disability professional, as defined in the Code of Federal Regulations, title 42, section 483.430, as amended through June 3, 1988. The case manager may also act as the qualified developmental disability professional if the case manager meets the federal definition. County social service agencies may contract with a public or private agency or individual who is not a service provider for the person for the public guardianship representation required by the screening or individual service planning process. The contract shall be limited to public guardianship representation for the screening and individual service planning activities. The contract shall require compliance with the commissioner's instructions and may be for paid or voluntary services. For persons determined to have overriding health care needs and are seeking admission to a nursing facility or an ICF/MR, or seeking access to home and community based waived services, a registered nurse must be designated as either the case manager or the qualified developmental disability professional. For persons under the jurisdiction of a correctional agency, the case manager must consult with the corrections administrator regarding additional health, safety, and supervision needs. The case manager, with the concurrence of the person, the person's legal guardian or conservator, or the parent if the person is a minor, may invite other individuals to attend meetings of the screening team. No member of the screening team shall have any direct or indirect service provider interest in the case. Nothing in this section shall be construed as requiring the screening team meeting to be separate from the service planning meeting.~~

Sec. 32. Minnesota Statutes 2010, section 256B.092, subdivision 8, is amended to read:

Subd. 8. **Screening team Additional certified assessor duties.** In addition to the responsibilities of certified assessors described in section 256B.0911, for persons with developmental disabilities, the screening team certified assessor shall:

- ~~(1) review diagnostic data;~~
- ~~(2) review health, social, and developmental assessment data using a uniform screening tool specified by the commissioner;~~
- ~~(3) identify the level of services appropriate to maintain the person in the most normal and least restrictive setting that is consistent with the person's treatment needs;~~
- ~~(4) (1) identify other noninstitutional public assistance or social service that may prevent or delay long-term residential placement;~~
- ~~(5) (2) assess whether a person is in need of long-term residential care;~~

~~(6)~~ (3) make recommendations regarding placement and payment for: (i) social service or public assistance support, or both, to maintain a person in the person's own home or other place of residence; (ii) training and habilitation service, vocational rehabilitation, and employment training activities; (iii) community residential placement; (iv) regional treatment center placement; or (v) a home and community-based service alternative to community residential placement or regional treatment center placement;

~~(7)~~ (4) evaluate the availability, location, and quality of the services listed in clause ~~(6)~~ (3), including the impact of placement alternatives on the person's ability to maintain or improve existing patterns of contact and involvement with parents and other family members;

~~(8)~~ (5) identify the cost implications of recommendations in clause ~~(6)~~ (3); and

~~(9)~~ (6) make recommendations to a court as may be needed to assist the court in making decisions regarding commitment of persons with developmental disabilities; ~~and~~

~~(10)~~ inform the person and the person's legal guardian or conservator, or the parent if the person is a minor, that appeal may be made to the commissioner pursuant to section 256.045.

Sec. 33. Minnesota Statutes 2010, section 256B.092, subdivision 8a, is amended to read:

Subd. 8a. **County concurrence notification.** (a) If the county of financial responsibility wishes to place a person in another county for services, the county of financial responsibility shall ~~seek concurrence from~~ notify the proposed county of service and the placement shall be made cooperatively between the two counties. Arrangements shall be made between the two counties for ongoing social service, including annual reviews of the person's ~~individual service~~ coordinated service and support plan. The county where services are provided may not make changes in the person's ~~service~~ coordinated service and support plan without approval by the county of financial responsibility.

~~(b) When a person has been screened and authorized for services in an intermediate care facility for persons with developmental disabilities or for home and community-based services for persons with developmental disabilities, the case manager shall assist that person in identifying a service provider who is able to meet the needs of the person according to the person's individual service plan. If the identified service is to be provided in a county other than the county of financial responsibility, the county of financial responsibility shall request concurrence of the county where the person is requesting to receive the identified services. The county of service may refuse to concur shall notify the county of financial responsibility if:~~

~~(1) it can demonstrate that the provider is unable to provide the services identified in the person's individual service plan as services that are needed and are to be provided; or~~

~~(2),~~ in the case of an intermediate care facility for persons with developmental disabilities, there has been no authorization for admission by the admission review team as required in section 256B.0926.

~~(c) The county of service shall notify the county of financial responsibility of concurrence or refusal to concur any concerns about the chosen provider's capacity to meet the needs of the person seeking to move to residential services in another county no later than 20 working days following receipt of the written request notification. Unless other mutually acceptable arrangements are made by the involved county agencies, the county of financial responsibility is responsible for costs of social services and the costs associated with the development and maintenance of the placement. The county of service may request that the county of financial responsibility purchase case management services from the county of service or from a contracted provider of case management when the county of financial responsibility is not providing case management as defined in this section and rules adopted under this section, unless other mutually acceptable arrangements are made by the involved county agencies. Standards for payment limits under this section may be established by the commissioner. Financial disputes between counties shall be resolved as provided in section 256G.09. This subdivision also applies to home and community-based waiver services provided under section 256B.49.~~

Sec. 34. Minnesota Statutes 2010, section 256B.092, subdivision 9, is amended to read:

Subd. 9. **Reimbursement.** Payment for services shall not be provided to a service provider for any person placed in an intermediate care facility for persons with developmental disabilities prior to the person ~~being screened by the screening team~~ receiving an assessment by a certified assessor. The commissioner shall not deny reimbursement for: (1) a person admitted to an intermediate care facility for persons with developmental disabilities who is assessed to need long-term supportive services, if long-term supportive services other than intermediate care are not available in that community; (2) any person admitted to an intermediate care facility for persons with developmental disabilities under emergency circumstances; (3) any eligible person placed in the intermediate care facility for persons with developmental disabilities pending an appeal of the ~~screening team's~~ certified assessor's decision; or (4) any medical assistance recipient when, after full discussion of all appropriate alternatives including those that are expected to be less costly than intermediate care for persons with developmental disabilities, the person or the person's legal guardian or conservator, or the parent if the person is a minor, insists on intermediate care placement. The ~~screening team~~ certified assessor shall provide documentation that the most cost-effective alternatives available were offered to this individual or the individual's legal guardian or conservator.

Sec. 35. Minnesota Statutes 2010, section 256B.092, subdivision 11, is amended to read:

Subd. 11. **Residential support services.** (a) Upon federal approval, there is established a new service called residential support that is available on the community alternative care, community alternatives for disabled individuals, developmental disabilities, and traumatic brain injury waivers. Existing waiver service descriptions must be modified to the extent necessary to ensure there is no duplication between other services. Residential support services must be provided by vendors licensed as a community residential setting as defined in section 245A.11, subdivision 8.

(b) Residential support services must meet the following criteria:

- (1) providers of residential support services must own or control the residential site;
- (2) the residential site must not be the primary residence of the license holder;
- (3) the residential site must have a designated program supervisor responsible for program oversight, development, and implementation of policies and procedures;
- (4) the provider of residential support services must provide supervision, training, and assistance as described in the person's ~~community~~ coordinated services and support plan; and
- (5) the provider of residential support services must meet the requirements of licensure and additional requirements of the person's ~~community~~ coordinated services and support plan.

(c) Providers of residential support services that meet the definition in paragraph (a) must be registered using a process determined by the commissioner beginning July 1, 2009.

Sec. 36. Minnesota Statutes 2010, section 256B.49, subdivision 13, is amended to read:

Subd. 13. **Case management.** (a) Each recipient of a home and community-based waiver shall be provided case management services by qualified vendors as described in the federally approved waiver application. The case management service activities provided ~~will~~ must include:

- (1) ~~assessing the needs of the individual within 20 working days of a recipient's request;~~
- (2) ~~developing~~ (1) finalizing the written ~~individual service~~ coordinated service and support plan within ten working days after the ~~assessment is completed~~ case manager receives the plan from the certified assessor;

~~(3)~~ (2) informing the recipient or the recipient's legal guardian or conservator of service options;

~~(4)~~ (3) assisting the recipient in the identification of potential service providers and available options for case management service and providers;

~~(5)~~ (4) assisting the recipient to access services and assisting with appeals under section 256.045; and

~~(6)~~ (5) coordinating, evaluating, and monitoring of the services identified in the service plan;

~~(7)~~ completing the annual reviews of the service plan; and

~~(8) informing the recipient or legal representative of the right to have assessments completed and service plans developed within specified time periods, and to appeal county action or inaction under section 256.045, subdivision 3, including the determination of nursing facility level of care.~~

(b) The case manager may delegate certain aspects of the case management service activities to another individual provided there is oversight by the case manager. The case manager may not delegate those aspects which require professional judgment including ~~assessments, reassessments, and care plan development.~~

(1) finalizing the coordinated service and support plan;

(2) ongoing assessment and monitoring of the person's needs and adequacy of the approved coordinated service and support plan; and

(3) adjustments to the coordinated service and support plan.

(c) Case management services must be provided by a public or private agency that is enrolled as a medical assistance provider determined by the commissioner to meet all of the requirements in the approved federal waiver plans. Case management services must not be provided to a recipient by a private agency that has any financial interest in the provision of any other services included in the recipient's coordinated services and support plan. For purposes of this section, "private agency" means any agency that is not identified as a lead agency under section 256B.0911, subdivision 1a, paragraph (d).

Sec. 37. Minnesota Statutes 2010, section 256B.49, subdivision 14, is amended to read:

Subd. 14. **Assessment and reassessment.** ~~(a) Assessments of each recipient's strengths, informal support systems, and need for services shall be completed within 20 working days of the recipient's request. Reassessment of each recipient's strengths, support systems, and need for services shall be conducted at least every 12 months and at other times when there has been a significant change in the recipient's functioning and reassessments shall be conducted by certified assessors according to section 256B.0911, subdivision 2b.~~

(b) There must be a determination that the client requires a hospital level of care or a nursing facility level of care as defined in section 144.0724, subdivision 11, at initial and subsequent assessments to initiate and maintain participation in the waiver program.

(c) Regardless of other assessments identified in section 144.0724, subdivision 4, as appropriate to determine nursing facility level of care for purposes of medical assistance payment for nursing facility services, only face-to-face assessments conducted according to section 256B.0911, subdivisions 3a, 3b, and 4d, that result in a hospital level of care determination or a nursing facility level of care determination must be accepted for purposes of initial and ongoing access to waiver services payment.



~~(d) Persons with developmental disabilities who apply for services under the nursing facility level waiver programs shall be screened for the appropriate level of care according to section 256B.092.~~

~~(e)~~ (d) Recipients who are found eligible for home and community-based services under this section before their 65th birthday may remain eligible for these services after their 65th birthday if they continue to meet all other eligibility factors.

Sec. 38. Minnesota Statutes 2010, section 256B.49, subdivision 15, is amended to read:

Subd. 15. **Individualized Coordinated service and support plan.** (a) Each recipient of home and community-based waived services shall be provided a copy of the written ~~service~~ coordinated service and support plan which:

~~(1) is developed and signed by the recipient within ten working days of the completion of the assessment;~~

~~(2) meets the assessed needs of the recipient;~~

~~(3) reasonably ensures the health and safety of the recipient;~~

~~(4) promotes independence;~~

~~(5) allows for services to be provided in the most integrated settings; and~~

~~(6) provides for an informed choice, as defined in section 256B.77, subdivision 2, paragraph (p), of service and support providers~~ meets the requirements in section 256B.092, subdivision 1b.

(b) When a county is evaluating denials, reductions, or terminations of home and community-based services under section 256B.49 for an individual, the case manager shall offer to meet with the individual or the individual's guardian in order to discuss the prioritization of service needs within the ~~individualized service~~ coordinated services and support plan. The reduction in the authorized services for an individual due to changes in funding for waived services may not exceed the amount needed to ensure medically necessary services to meet the individual's health, safety, and welfare.

Sec. 39. Minnesota Statutes 2010, section 256G.02, subdivision 6, is amended to read:

Subd. 6. **Excluded time.** "Excluded time" means:

~~(a)~~ (1) any period an applicant spends in a hospital, sanitarium, nursing home, shelter other than an emergency shelter, halfway house, foster home, semi-independent living domicile or services program, residential facility offering care, board and lodging facility or other institution for the hospitalization or care of human beings, as defined in section 144.50, 144A.01, or 245A.02, subdivision 14; maternity home, battered women's shelter, or correctional facility; or any facility based on an emergency hold under sections 253B.05, subdivisions 1 and 2, and 253B.07, subdivision 6;

~~(b)~~ (2) any period an applicant spends on a placement basis in a training and habilitation program, including: a rehabilitation facility or work or employment program as defined in section 268A.01; ~~or receiving personal care assistance services pursuant to section 256B.0659;~~ semi-independent living services provided under section 252.275, and Minnesota Rules, parts 9525.0500 to 9525.0660; or day training and habilitation programs and assisted living services; and

~~(c)~~ (3) any placement for a person with an indeterminate commitment, including independent living.

Sec. 40. **RECOMMENDATIONS FOR FURTHER CASE MANAGEMENT REDESIGN.**

By February 1, 2012, the commissioner of human services shall develop a legislative report with specific recommendations and language for proposed legislation to be effective July 1, 2012, for the following:

(a) definitions of service and consolidation of standards and rates to the extent appropriate for all types of medical assistance case management service services, including targeted case management under Minnesota Statutes, sections 256B.0621, 256B.0924, and 256B.094, and all types of home and community-based waiver case management and case management under Minnesota Rules, parts 9525.0004 to 9525.0036. This work must be completed in collaboration with efforts under Minnesota Statutes, section 256B.4912;

(b) recommendations on county of financial responsibility requirements and quality assurance measures for case management; and

(c) identification of county administrative functions that may remain entwined in case management service delivery models.

ARTICLE 4  
NURSING FACILITIES

Section 1. Minnesota Statutes 2010, section 144A.071, subdivision 3, is amended to read:

Subd. 3. **Exceptions authorizing increase in beds; hardship areas.** (a) The commissioner of health, in coordination with the commissioner of human services, may approve the addition of a new certified bed or the addition of a new licensed and Medicare and Medicaid-certified nursing home bed beds, under using the following conditions: criteria and process in this subdivision.

(a) to license or certify a new bed in place of one decertified after July 1, 1993, as long as the number of certified plus newly certified or recertified beds does not exceed the number of beds licensed or certified on July 1, 1993, or to address an extreme hardship situation, in a particular county that, together with all contiguous Minnesota counties, has fewer nursing home beds per 1,000 elderly than the number that is ten percent higher than the national average of nursing home beds per 1,000 elderly individuals. For the purposes of this section, the national average of nursing home beds shall be the most recent figure that can be supplied by the federal Centers for Medicare and Medicaid Services and the number of elderly in the county or the nation shall be determined by the most recent federal census or the most recent estimate of the state demographer as of July 1, of each year of persons age 65 and older, whichever is the most recent at the time of the request for replacement. An extreme hardship situation can only be found after the county documents the existence of unmet medical needs that cannot be addressed by any other alternatives;

(b) The commissioner, in cooperation with the commissioner of human services, shall consider the following criteria when determining that an area of the state is a hardship area with regard to access to nursing facility services:

(1) a low number of beds per thousand in a specified area using as a standard the beds per thousand people age 65 and older, in five year age groups, using data from the most recent census and population projections, weighted by each group's most recent nursing home utilization, of the county at the 20th percentile, as determined by the commissioner of human services;

(2) a high level of out-migration for nursing facility services associated with a described area from the county or counties of residence to other Minnesota counties, as determined by the commissioner of human services, using as a standard an amount greater than the out-migration of the county ranked at the 50th percentile;

(3) an adequate level of availability of noninstitutional long-term care services measured as public spending for home and community-based long-term care services per individual age 65 and older, in five year age groups, using data from the most recent census and population projections, weighted by each group's most recent nursing home utilization, as determined by the commissioner of human services, using as a standard an amount greater than the 50th percentile of counties;

(4) there must be a declaration of hardship resulting from insufficient access to nursing home beds by local county agencies and area agencies on aging; and

(5) other factors that may demonstrate the need to add new nursing facility beds.

(c) On August 15 of odd-numbered years, the commissioner, in cooperation with the commissioner of human services, may publish in the State Register a request for information in which interested parties, using the data provided under section 144A.351, along with any other relevant data, demonstrate that a specified area is a hardship area with regard to access to nursing facility services. For a response to be considered, the commissioner must receive it by November 15. The commissioner shall make responses to the request for information available to the public and shall allow 30 days for comment. The commissioner shall review responses and comments and determine if any areas of the state are to be declared hardship areas.

(d) For each designated hardship area determined in paragraph (c), the commissioner shall publish a request for proposals in accordance with section 144A.073 and Minnesota Rules, parts 4655.1070 to 4655.1098. The request for proposals must be published in the State Register by March 15 following receipt of responses to the request for information. The request for proposals must specify the number of new beds which may be added in the designated hardship area, which must not exceed the number which, if added to the existing number of beds in the area, including beds in layaway status, would have prevented it from being determined to be a hardship area under paragraph (b), clause (1). Beginning July 1, 2011, the number of new beds approved must not exceed 200 beds statewide per biennium. After June 30, 2019, the number of new beds that may be approved in a biennium must not exceed 300 statewide. For a proposal to be considered, the commissioner must receive it within six months of the publication of the request for proposals. The commissioner shall review responses to the request for proposals and shall approve or disapprove each proposal by the following July 15, in accordance with section 144A.073 and Minnesota Rules, parts 4655.1070 to 4655.1098. The commissioner shall base approvals or disapprovals on a comparison and ranking of proposals using only the criteria in subdivision 4a. Approval of a proposal expires after 18 months unless the facility has added the new beds using existing space, subject to approval by the commissioner, or has commenced construction as defined in section 144A.071, subdivision 1a, paragraph (d). If fewer than 50 percent of the beds in a facility are newly licensed, after the beds have been added, the operating payment rates previously in effect shall remain. If 50 percent or more of the beds in a facility are newly licensed after the approved beds have been added, then determination of operating payment rates shall be done according to Minnesota Rules, part 9549.0057, using limits determined under section 256B.441. Determination of external fixed payment rates must be done according to section 256B.441, subdivision 53. Determinations of property payment rates for facilities with beds added under this subdivision must be done in the same manner as rate determinations resulting from projects approved and completed under section 144A.073.

~~(b) to~~ (e) The commissioner may:

(1) certify or license new beds in a new facility that is to be operated by the commissioner of veterans affairs or when the costs of constructing and operating the new beds are to be reimbursed by the commissioner of veterans affairs or the United States Veterans Administration; and

~~(e) to~~ (2) license or certify beds in a facility that has been involuntarily delicensed or decertified for participation in the medical assistance program, provided that an application for relicensure or recertification is submitted to the commissioner by an organization that is not a related organization as defined in section 256B.441, subdivision 34, to the prior licensee within 120 days after delicensure or decertification;

~~(d) to certify two existing beds in a facility with 66 licensed beds on January 1, 1994, that had an average occupancy rate of 98 percent or higher in both calendar years 1992 and 1993, and which began construction of four attached assisted living units in April 1993; or~~

~~(e) to certify four existing beds in a facility in Winona with 139 beds, of which 129 beds are certified.~~

Sec. 2. Minnesota Statutes 2010, section 144A.073, subdivision 3c, is amended to read:

Subd. 3c. **Cost neutral relocation projects.** (a) Notwithstanding subdivision 3, the commissioner may at any time accept proposals, or amendments to proposals previously approved under this section, for relocations that are cost neutral with respect to state costs as defined in section 144A.071, subdivision 5a. The commissioner, in consultation with the commissioner of human services, shall evaluate proposals according to subdivision 4 4a, clauses (1), ~~(2), (3), and (9)~~ (4), (5), (6), and (8), and other criteria established in rule or law. The commissioner of human services shall determine the allowable payment rates of the facility receiving the beds in accordance with section 256B.441, subdivision 60. The commissioner shall approve or disapprove a project within 90 days. ~~Proposals and amendments approved under this subdivision are not subject to the six mile limit in subdivision 5, paragraph (e).~~

(b) For the purposes of paragraph (a), cost neutrality shall be measured over the first three 12-month periods of operation after completion of the project.

Sec. 3. Minnesota Statutes 2010, section 144A.073, is amended by adding a subdivision to read:

Subd. 4a. **Criteria for review.** In reviewing the application materials and submitted costs by an applicant to the moratorium process, the review panel shall consider the following criteria in recommending proposals:

(1) the extent to which the proposed nursing home project is integrated with other health and long-term care services for older adults;

(2) the extent to which the project provides for the complete replacement of an outdated physical plant;

(3) the extent to which the project results in a reduction of nursing facility beds in an area that has a relatively high number of beds per thousand occupied by persons age 85 and over;

(4) the extent to which the project produces improvements in health, safety (including life safety code corrections), quality of life, and privacy of residents;

(5) the extent to which, under the current facility ownership and management, the provider has shown the ability to provide good quality of care based on health-related findings on certification surveys, quality indicator scores, and quality-of-life scores, including those from the Minnesota nursing home report card;

(6) the extent to which the project integrates the latest technology and design features in a way that improves the resident experience and improves the working environment for employees;

(7) the extent to which the sustainability of the nursing facility can be demonstrated based on the need for services in the area and the proposed financing of the project; and

(8) the extent to which the project provides or maintains access to nursing facility services needed in the community.

Sec. 4. Minnesota Statutes 2010, section 144D.08, is amended to read:

**144D.08 UNIFORM CONSUMER INFORMATION GUIDE.**

All housing with services establishments shall make available to all prospective and current residents information consistent with the uniform format and the required components adopted by the commissioner under section 144G.06. This section does not apply to an establishment registered under section 144D.025, serving the homeless.

Sec. 5. Minnesota Statutes 2010, section 256B.19, subdivision 1e, is amended to read:

Subd. 1e. **Additional local share of certain nursing facility costs.** Beginning on the latter of January 1, 2011, or the first day of the month beginning no less than 45 days following federal approval, local government entities that own the physical plant or are the license holders of nursing facilities receiving rate adjustments under section 256B.441, subdivision 55a, shall be responsible for paying the portion of nonfederal costs calculated under section 256B.441, subdivision 55a, paragraph (d). This responsibility remains in effect through the day before the phase-in under section 256B.441, subdivision 55, is complete. Beginning the day when the phase-in under section 256B.441, subdivision 55, is complete, local government entities that own the physical plant or are the license holders of nursing facilities receiving rate adjustments under section 256B.441, subdivision 55a, shall be responsible for paying the portion of nonfederal costs calculated under section 256B.441, subdivision 55a, paragraph (e). Payments of the nonfederal share shall be made monthly to the commissioner in amounts determined in accordance with section 256B.441, subdivision 55a, paragraph (d) (e). Payments for each month beginning in January 2011 through September 2015 on the effective date of the rate adjustment shall be due by the 15th day of the following month. If any provider obligated to pay an amount under this subdivision is more than two months 30 days delinquent in the timely payment of the monthly installment, the commissioner may withhold payments, penalties, and interest in accordance with the methods outlined in section 256.9657, subdivision 7a revoke participation under this subdivision and end payments determined under section 256B.441, subdivision 55a, to the participating nursing facility effective on the first day of the month following the month in which such notice was mailed. In the event of revocation, any amounts paid by private residents under this subdivision for days of service on or after the first day of the month following the month in which such notice was mailed must be refunded.

Sec. 6. Minnesota Statutes 2010, section 256B.431, subdivision 2t, is amended to read:

Subd. 2t. **Payment limitation.** For services rendered on or after July 1, 2003, for facilities reimbursed under this section or section 256B.434 chapter, the Medicaid program shall only pay a co-payment during a Medicare-covered skilled nursing facility stay if the Medicare rate less the resident's co-payment responsibility is less than the Medicaid RUG-III case-mix payment rate, or, beginning January 1, 2012, the Medicaid RUG-IV case-mix payment rate. The amount that shall be paid by the Medicaid program is equal to the amount by which the Medicaid RUG-III or RUG-IV case-mix payment rate exceeds the Medicare rate less the co-payment responsibility. Health plans paying for nursing home services under section 256B.69, subdivision 6a, may limit payments as allowed under this subdivision.

Sec. 7. Minnesota Statutes 2010, section 256B.438, subdivision 1, is amended to read:

Subdivision 1. **Scope.** This section establishes the method and criteria used to determine resident reimbursement classifications based upon the assessments of residents of nursing homes and boarding care homes whose payment rates are established under section 256B.431, 256B.434, or ~~256B.435~~ 256B.441 or any other section. Resident reimbursement classifications shall be established according to the 34 group, resource utilization groups, version III or RUG-III model as described in section 144.0724. Reimbursement classifications established under this section shall be implemented after June 30, 2002, but no later than January 1, 2003. Reimbursement classifications established under this section shall be implemented no earlier than six weeks after the commissioner mails notices of payment rates to the facilities. Effective January 1, 2012, resident reimbursement classifications shall be established according to the 48 group, resource utilization groups, RUG-IV model under section 144.0724.

Sec. 8. Minnesota Statutes 2010, section 256B.438, subdivision 3, is amended to read:

Subd. 3. **Case mix indices.** (a) The commissioner of human services shall assign a case mix index to each resident class based on the Centers for Medicare and Medicaid Services staff time measurement study and adjusted for Minnesota-specific wage indices. The case mix indices assigned to each resident class shall be published in the Minnesota State Register at least 120 days prior to the implementation of the 34 group, RUG-III resident classification system.

(b) An index maximization approach shall be used to classify residents.

(c) After implementation of the revised case mix system, the commissioner of human services may annually rebase case mix indices and base rates using more current data on average wage rates and staff time measurement studies. This rebasing shall be calculated under subdivision 7, paragraph (b). The commissioner shall publish in the Minnesota State Register adjusted case mix indices at least 45 days prior to the effective date of the adjusted case mix indices.

(d) Upon implementation of the 48-group RUG-IV resident classification system, the commissioner of human services shall assign a case mix index to each resident class based on the Centers for Medicare and Medicaid Services staff time measurement study. The case mix indices assigned to each resident class shall be published in the State Register at least 120 days prior to the implementation of the RUG-IV resident classification system.

Sec. 9. Minnesota Statutes 2010, section 256B.438, subdivision 4, is amended to read:

Subd. 4. **Resident assessment schedule.** (a) Nursing facilities shall conduct and submit case mix assessments according to the schedule established by the commissioner of health under section 144.0724, subdivisions 4 and 5.

(b) The resident reimbursement classifications established under section 144.0724, subdivision 3, shall be effective the day of admission for new admission assessments. The effective date for significant change assessments shall be the assessment reference date. The effective date for annual and quarterly assessments shall be the first day of the month following assessment reference date.

(c) Effective October 1, 2006, the commissioner shall rebase payment rates to account for the change in the resident assessment schedule in section 144.0724, subdivision 4, paragraph (b), clause (4), in a facility specific budget neutral manner, according to subdivision 7, paragraph (b).

(d) Effective January 1, 2012, the commissioner shall determine payment rates to account for the transition to RUG-IV, in a facility-specific, revenue-neutral manner, according to subdivision 8, paragraph (b).

Sec. 10. Minnesota Statutes 2010, section 256B.438, is amended by adding a subdivision to read:

Subd. 8. **Rate determination upon transition to RUG-IV payment rates.** (a) The commissioner of human services shall determine payment rates at the time of transition to the RUG-IV-based payment model in a facility-specific, revenue-neutral manner. To transition from the current calculation methodology to the RUG-IV-based methodology, nursing facilities shall report to the commissioner of human services the private pay and Medicaid resident days classified according to the categories defined in subdivision 3, paragraphs (a) and (d), for the six-month reporting period ending June 30, 2011. This report must be submitted to the commissioner, in a form prescribed by the commissioner, by August 15, 2011. The commissioner of human services shall use this data to compute the standardized days for the RUG-III and RUG-IV classification systems.

(b) The commissioner of human services shall determine the case mix adjusted component for the January 1, 2012, rate as follows:

(1) using the September 30, 2010, cost report, determine the case mix portion of the operating cost for each facility;

(2) multiply the 36 operating payment rates in effect on December 31, 2011, by the number of private pay and Medicaid resident days assigned to each group for the reporting period ending June 30, 2011, and compute the total;

(3) compute the product of the amounts in clauses (1) and (2);

(4) determine the private pay and Medicaid RUG standardized days for the reporting period ending June 30, 2011, using the new indices calculated under subdivision 3, paragraph (d);

(5) divide the amount determined in clause (3) by the amount in clause (4), which shall be the default rate (DDF) unadjusted case mix component of the rate under the RUG-IV method; and

(6) determine the case mix adjusted component of each operating rate by multiplying the default rate (DDF) unadjusted case mix component by the case mix weight in subdivision 3, paragraph (d), for each RUG-IV group.

(c) The noncase mix components will be allocated to each RUG group as a constant amount to determine the operating payment rate.

Sec. 11. Minnesota Statutes 2010, section 256B.441, subdivision 55a, is amended to read:

Subd. 55a. **Alternative to phase-in for publicly owned nursing facilities.** (a) For operating payment rates implemented between January 1, 2011, and September 30, 2015, the first day of the month beginning no less than 45 days following federal approval, and the day before the phase-in under subdivision 55 is complete, the commissioner shall allow nursing facilities whose physical plant is owned or whose license is held by a city, county, or hospital district to apply for a higher payment rate under this section if the local government entity agrees to pay a specified portion of the nonfederal share of medical assistance costs. Nursing facilities that apply shall be eligible to select an operating payment rate, with a weight of 1.00, up to the rate calculated in subdivision 54, without application of the phase-in under subdivision 55. The rates for the other ~~RUG's levels~~ RUGS shall be computed as provided under subdivision 54.

(b) For operating payment rates implemented beginning the day when the phase-in under subdivision 55 is complete, the commissioner shall allow nursing facilities whose physical plant is owned or whose license is held by a city, county, or hospital district to apply for a higher payment rate under this section if the local government entity agrees to pay a specified portion of the nonfederal share of medical assistance costs. Nursing facilities that apply are eligible to select an operating payment rate, with a weight of 1.00, up to an amount determined by the commissioner to be allowable under the Medicare upper payment limit test. The rates for the other RUGS shall be computed under subdivision 54.

~~(c)~~ (c) Rates determined under this subdivision shall take effect beginning on the latter of January 1, 2011, or the first day of the month beginning no less than 45 days following federal approval, based on cost reports for the rate year ending September 30, 2009, and in future rate years, rates determined for nursing facilities participating under this subdivision shall take effect on October 1 of each year, based on the most recent available cost report.

~~(d)~~ (d) Eligible nursing facilities that wish to participate under this subdivision shall make an application to the commissioner by September 30, 2010, or by June 30 of any subsequent year. Participation under this subdivision is irrevocable. If paragraph (a) does not result in a rate greater than what would have been provided without application of this subdivision, a facility's rates shall be calculated as otherwise provided and no payment by the local government entity shall be required under paragraph (d).

~~(d)~~ (e) For each participating nursing facility, the public entity that owns the physical plant or is the license holder of the nursing facility shall pay to the state the entire nonfederal share of medical assistance payments received as a result of the difference between the nursing facility's payment rate under ~~subdivision 54~~, paragraph (a) or (b), and the rates that the nursing facility would otherwise be paid without application of this subdivision under ~~subdivision 54 or 55~~ as determined by the commissioner.

~~(e)~~ (f) The commissioner may, at any time, reduce the payments under this subdivision based on the commissioner's determination that the payments shall cause nursing facility rates to exceed the state's Medicare upper payment limit or any other federal limitation. If the commissioner determines a reduction is necessary, the commissioner shall reduce all payment rates for participating nursing facilities by a percentage applied to the amount of increase they would otherwise receive under this subdivision and shall notify participating facilities of the reductions. If payments to a nursing facility are reduced, payments under section 256B.19, subdivision 1e, shall be reduced accordingly.

Sec. 12. Minnesota Statutes 2010, section 256B.441, is amended by adding a subdivision to read:

**Subd. 60. Method for determining budget-neutral nursing facility rates for relocated beds.** (a) Nursing facility rates for bed relocations must be calculated by comparing the estimated medical assistance costs prior to and after the proposed bed relocation using the calculations in this subdivision. All payment rates are based on a 1.0 case mix level, with other case mix rates determined accordingly. Nursing facility beds on layaway status that are being moved must be included in the calculation for both the originating and receiving facility and treated as though they were in active status with the occupancy characteristics of the active beds of the originating facility.

(b) Medical assistance costs of the beds in the originating nursing facilities must be calculated as follows:

(1) multiply each originating facility's total payment rate for a RUGS weight of 1.0 by the facility's percentage of medical assistance days on its most recent available cost report;

(2) take the products in clause (1) and multiply by each facility's average case mix score for medical assistance residents on its most recent available cost report;

(3) take the products in clause (2) and multiply by the number of beds being relocated, times 365; and

(4) calculate the sum of the amounts determined in clause (3).

(c) Medical assistance costs in the receiving facility, prior to the bed relocation, must be calculated as follows:

(1) multiply the facility's total payment rate for a RUGS weight of 1.0 by the medical assistance days on the most recent cost report; and

(2) multiply the product in clause (1) by the average case mix weight of medical assistance residents on the most recent cost report.

(d) The commissioner shall determine the medical assistance costs prior to the bed relocation which must be the sum of the amounts determined in paragraphs (b) and (c).

(e) The commissioner shall estimate the medical assistance costs after the bed relocation as follows:

(1) estimate the medical assistance days in the receiving facility after the bed relocation. The commissioner may use the current medical assistance portion, or if data does not exist, may use the statewide average, or may use the provider's estimate of the medical assistance utilization of the relocated beds;



(2) estimate the average case mix weight of medical assistance residents in the receiving facility after the bed relocation. The commissioner may use current average case mix weight or, if data does not exist, may use the statewide average, or may use the provider's estimate of the average case mix weight; and

(3) multiply the amount determined in clause (1) by the amount determined in clause (2) by the total payment rate for a RUGS weight of 1.0 that is the highest rate of the facilities from which the relocated beds either originate or to which they are being relocated so long as that rate is associated with ten percent or more of the total number of beds to be in the receiving facility after the bed relocation.

(f) If the amount determined in paragraph (e) is less than or equal to the amount determined in paragraph (d), the commissioner shall allow a total payment rate equal to the amount used in paragraph (e), clause (3).

(g) If the amount determined in paragraph (e) is greater than the amount determined in paragraph (d), the commissioner shall allow a rate with a RUGS weight of 1.0 that when used in paragraph (e), clause (3), results in the amount determined in paragraph (e) being equal to the amount determined in paragraph (d).

(h) If the commissioner relies upon provider estimates in paragraph (e), clause (1) or (2), then annually, for three years after the rates determined in this subdivision take effect, the commissioner shall determine the accuracy of the alternative factors of medical assistance case load and RUGS weight used in this subdivision and shall reduce the total payment rate for a RUGS weight of 1.0 if the factors used result in medical assistance costs exceeding the amount in paragraph (d). If the actual medical assistance costs exceed the estimates by more than five percent, the commissioner shall also recover the difference between the estimated costs in paragraph (e) and the actual costs according to section 256B.0641. The commissioner may require submission of data from the receiving facility needed to implement this paragraph.

(i) When beds approved for relocation are put into active service at the destination facility, rates determined in this subdivision must be adjusted by any adjustment amounts that were implemented after the date of the letter of approval.

Sec. 13. **REPEALER.**

Minnesota Statutes 2010, section 144A.073, subdivisions 4 and 5, are repealed.

ARTICLE 5  
TECHNICAL

Section 1. Minnesota Statutes 2010, section 144A.071, subdivision 4a, is amended to read:

Subd. 4a. **Exceptions for replacement beds.** It is in the best interest of the state to ensure that nursing homes and boarding care homes continue to meet the physical plant licensing and certification requirements by permitting certain construction projects. Facilities should be maintained in condition to satisfy the physical and emotional needs of residents while allowing the state to maintain control over nursing home expenditure growth.

The commissioner of health in coordination with the commissioner of human services, may approve the renovation, replacement, upgrading, or relocation of a nursing home or boarding care home, under the following conditions:

(a) to license or certify beds in a new facility constructed to replace a facility or to make repairs in an existing facility that was destroyed or damaged after June 30, 1987, by fire, lightning, or other hazard provided:

(i) destruction was not caused by the intentional act of or at the direction of a controlling person of the facility;

(ii) at the time the facility was destroyed or damaged the controlling persons of the facility maintained insurance coverage for the type of hazard that occurred in an amount that a reasonable person would conclude was adequate;

(iii) the net proceeds from an insurance settlement for the damages caused by the hazard are applied to the cost of the new facility or repairs;

~~(iv) the new facility is constructed on the same site as the destroyed facility or on another site subject to the restrictions in section 144A.073, subdivision 5;~~

~~(v)~~ (iv) the number of licensed and certified beds in the new facility does not exceed the number of licensed and certified beds in the destroyed facility; and

~~(vi)~~ (v) the commissioner determines that the replacement beds are needed to prevent an inadequate supply of beds.

Project construction costs incurred for repairs authorized under this clause shall not be considered in the dollar threshold amount defined in subdivision 2;

(b) to license or certify beds that are moved from one location to another within a nursing home facility, provided the total costs of remodeling performed in conjunction with the relocation of beds does not exceed \$1,000,000;

(c) to license or certify beds in a project recommended for approval under section 144A.073;

(d) to license or certify beds that are moved from an existing state nursing home to a different state facility, provided there is no net increase in the number of state nursing home beds;

(e) to certify and license as nursing home beds boarding care beds in a certified boarding care facility if the beds meet the standards for nursing home licensure, or in a facility that was granted an exception to the moratorium under section 144A.073, and if the cost of any remodeling of the facility does not exceed \$1,000,000. If boarding care beds are licensed as nursing home beds, the number of boarding care beds in the facility must not increase beyond the number remaining at the time of the upgrade in licensure. The provisions contained in section 144A.073 regarding the upgrading of the facilities do not apply to facilities that satisfy these requirements;

(f) to license and certify up to 40 beds transferred from an existing facility owned and operated by the Amherst H. Wilder Foundation in the city of St. Paul to a new unit at the same location as the existing facility that will serve persons with Alzheimer's disease and other related disorders. The transfer of beds may occur gradually or in stages, provided the total number of beds transferred does not exceed 40. At the time of licensure and certification of a bed or beds in the new unit, the commissioner of health shall delicense and decertify the same number of beds in the existing facility. As a condition of receiving a license or certification under this clause, the facility must make a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate as a result of the transfers allowed under this paragraph;

(g) to license and certify nursing home beds to replace currently licensed and certified boarding care beds which may be located either in a remodeled or renovated boarding care or nursing home facility or in a remodeled, renovated, newly constructed, or replacement nursing home facility within the identifiable complex of health care facilities in which the currently licensed boarding care beds are presently located, provided that the number of boarding care beds in the facility or complex are decreased by the number to be licensed as nursing home beds and further provided that, if the total costs of new construction, replacement, remodeling, or renovation exceed ten percent of the appraised value of the facility or \$200,000, whichever is less, the facility makes a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate by reason of the new construction, replacement, remodeling, or renovation. The provisions contained in section 144A.073 regarding the upgrading of facilities do not apply to facilities that satisfy these requirements;

(h) to license as a nursing home and certify as a nursing facility a facility that is licensed as a boarding care facility but not certified under the medical assistance program, but only if the commissioner of human services certifies to the commissioner of health that licensing the facility as a nursing home and certifying the facility as a nursing facility will result in a net annual savings to the state general fund of \$200,000 or more;

(i) to certify, after September 30, 1992, and prior to July 1, 1993, existing nursing home beds in a facility that was licensed and in operation prior to January 1, 1992;

(j) to license and certify new nursing home beds to replace beds in a facility acquired by the Minneapolis Community Development Agency as part of redevelopment activities in a city of the first class, provided the new facility is located within three miles of the site of the old facility. Operating and property costs for the new facility must be determined and allowed under section 256B.431 or 256B.434;

(k) to license and certify up to 20 new nursing home beds in a community-operated hospital and attached convalescent and nursing care facility with 40 beds on April 21, 1991, that suspended operation of the hospital in April 1986. The commissioner of human services shall provide the facility with the same per diem property-related payment rate for each additional licensed and certified bed as it will receive for its existing 40 beds;

(l) to license or certify beds in renovation, replacement, or upgrading projects as defined in section 144A.073, subdivision 1, so long as the cumulative total costs of the facility's remodeling projects do not exceed \$1,000,000;

(m) to license and certify beds that are moved from one location to another for the purposes of converting up to five four-bed wards to single or double occupancy rooms in a nursing home that, as of January 1, 1993, was county-owned and had a licensed capacity of 115 beds;

(n) to allow a facility that on April 16, 1993, was a 106-bed licensed and certified nursing facility located in Minneapolis to layaway all of its licensed and certified nursing home beds. These beds may be relicensed and recertified in a newly constructed teaching nursing home facility affiliated with a teaching hospital upon approval by the legislature. The proposal must be developed in consultation with the interagency committee on long-term care planning. The beds on layaway status shall have the same status as voluntarily delicensed and decertified beds, except that beds on layaway status remain subject to the surcharge in section 256.9657. This layaway provision expires July 1, 1998;

(o) to allow a project which will be completed in conjunction with an approved moratorium exception project for a nursing home in southern Cass County and which is directly related to that portion of the facility that must be repaired, renovated, or replaced, to correct an emergency plumbing problem for which a state correction order has been issued and which must be corrected by August 31, 1993;

(p) to allow a facility that on April 16, 1993, was a 368-bed licensed and certified nursing facility located in Minneapolis to layaway, upon 30 days prior written notice to the commissioner, up to 30 of the facility's licensed and certified beds by converting three-bed wards to single or double occupancy. Beds on layaway status shall have the same status as voluntarily delicensed and decertified beds except that beds on layaway status remain subject to the surcharge in section 256.9657, remain subject to the license application and renewal fees under section 144A.07 and shall be subject to a \$100 per bed reactivation fee. In addition, at any time within three years of the effective date of the layaway, the beds on layaway status may be:

(1) relicensed and recertified upon relocation and reactivation of some or all of the beds to an existing licensed and certified facility or facilities located in Pine River, Brainerd, or International Falls; provided that the total project construction costs related to the relocation of beds from layaway status for any facility receiving relocated beds may not exceed the dollar threshold provided in subdivision 2 unless the construction project has been approved through the moratorium exception process under section 144A.073;

(2) relicensed and recertified, upon reactivation of some or all of the beds within the facility which placed the beds in layaway status, if the commissioner has determined a need for the reactivation of the beds on layaway status.

The property-related payment rate of a facility placing beds on layaway status must be adjusted by the incremental change in its rental per diem after recalculating the rental per diem as provided in section 256B.431, subdivision 3a, paragraph (c). The property-related payment rate for a facility relicensing and recertifying beds from layaway status must be adjusted by the incremental change in its rental per diem after recalculating its rental per diem using the number of beds after the relicensing to establish the facility's capacity day divisor, which shall be effective the first day of the month following the month in which the relicensing and recertification became effective. Any beds remaining on layaway status more than three years after the date the layaway status became effective must be removed from layaway status and immediately delicensed and decertified;

(q) to license and certify beds in a renovation and remodeling project to convert 12 four-bed wards into 24 two-bed rooms, expand space, and add improvements in a nursing home that, as of January 1, 1994, met the following conditions: the nursing home was located in Ramsey County; had a licensed capacity of 154 beds; and had been ranked among the top 15 applicants by the 1993 moratorium exceptions advisory review panel. The total project construction cost estimate for this project must not exceed the cost estimate submitted in connection with the 1993 moratorium exception process;

(r) to license and certify up to 117 beds that are relocated from a licensed and certified 138-bed nursing facility located in St. Paul to a hospital with 130 licensed hospital beds located in South St. Paul, provided that the nursing facility and hospital are owned by the same or a related organization and that prior to the date the relocation is completed the hospital ceases operation of its inpatient hospital services at that hospital. After relocation, the nursing facility's status under section 256B.431, subdivision 2j, shall be the same as it was prior to relocation. The nursing facility's property-related payment rate resulting from the project authorized in this paragraph shall become effective no earlier than April 1, 1996. For purposes of calculating the incremental change in the facility's rental per diem resulting from this project, the allowable appraised value of the nursing facility portion of the existing health care facility physical plant prior to the renovation and relocation may not exceed \$2,490,000;

(s) to license and certify two beds in a facility to replace beds that were voluntarily delicensed and decertified on June 28, 1991;

(t) to allow 16 licensed and certified beds located on July 1, 1994, in a 142-bed nursing home and 21-bed boarding care home facility in Minneapolis, notwithstanding the licensure and certification after July 1, 1995, of the Minneapolis facility as a 147-bed nursing home facility after completion of a construction project approved in 1993 under section 144A.073, to be laid away upon 30 days' prior written notice to the commissioner. Beds on layaway status shall have the same status as voluntarily delicensed or decertified beds except that they shall remain subject to the surcharge in section 256.9657. The 16 beds on layaway status may be relicensed as nursing home beds and recertified at any time within five years of the effective date of the layaway upon relocation of some or all of the beds to a licensed and certified facility located in Watertown, provided that the total project construction costs related to the relocation of beds from layaway status for the Watertown facility may not exceed the dollar threshold provided in subdivision 2 unless the construction project has been approved through the moratorium exception process under section 144A.073.

The property-related payment rate of the facility placing beds on layaway status must be adjusted by the incremental change in its rental per diem after recalculating the rental per diem as provided in section 256B.431, subdivision 3a, paragraph (c). The property-related payment rate for the facility relicensing and recertifying beds from layaway status must be adjusted by the incremental change in its rental per diem after recalculating its rental per diem using the number of beds after the relicensing to establish the facility's capacity day divisor, which shall be effective the first day of the month following the month in which the relicensing and recertification became effective. Any beds remaining on layaway status more than five years after the date the layaway status became effective must be removed from layaway status and immediately delicensed and decertified;

(u) to license and certify beds that are moved within an existing area of a facility or to a newly constructed addition which is built for the purpose of eliminating three- and four-bed rooms and adding space for dining, lounge areas, bathing rooms, and ancillary service areas in a nursing home that, as of January 1, 1995, was located in Fridley and had a licensed capacity of 129 beds;

(v) to relocate 36 beds in Crow Wing County and four beds from Hennepin County to a 160-bed facility in Crow Wing County, provided all the affected beds are under common ownership;

(w) to license and certify a total replacement project of up to 49 beds located in Norman County that are relocated from a nursing home destroyed by flood and whose residents were relocated to other nursing homes. The operating cost payment rates for the new nursing facility shall be determined based on the interim and settle-up payment provisions of Minnesota Rules, part 9549.0057, and the reimbursement provisions of section 256B.431, except that subdivision 26, paragraphs (a) and (b), shall not apply until the second rate year after the settle-up cost report is filed. Property-related reimbursement rates shall be determined under section 256B.431, taking into account any federal or state flood-related loans or grants provided to the facility;

(x) to license and certify a total replacement project of up to 129 beds located in Polk County that are relocated from a nursing home destroyed by flood and whose residents were relocated to other nursing homes. The operating cost payment rates for the new nursing facility shall be determined based on the interim and settle-up payment provisions of Minnesota Rules, part 9549.0057, and the reimbursement provisions of section 256B.431, except that subdivision 26, paragraphs (a) and (b), shall not apply until the second rate year after the settle-up cost report is filed. Property-related reimbursement rates shall be determined under section 256B.431, taking into account any federal or state flood-related loans or grants provided to the facility;

(y) to license and certify beds in a renovation and remodeling project to convert 13 three-bed wards into 13 two-bed rooms and 13 single-bed rooms, expand space, and add improvements in a nursing home that, as of January 1, 1994, met the following conditions: the nursing home was located in Ramsey County, was not owned by a hospital corporation, had a licensed capacity of 64 beds, and had been ranked among the top 15 applicants by the 1993 moratorium exceptions advisory review panel. The total project construction cost estimate for this project must not exceed the cost estimate submitted in connection with the 1993 moratorium exception process;

(z) to license and certify up to 150 nursing home beds to replace an existing 285 bed nursing facility located in St. Paul. The replacement project shall include both the renovation of existing buildings and the construction of new facilities at the existing site. The reduction in the licensed capacity of the existing facility shall occur during the construction project as beds are taken out of service due to the construction process. Prior to the start of the construction process, the facility shall provide written information to the commissioner of health describing the process for bed reduction, plans for the relocation of residents, and the estimated construction schedule. The relocation of residents shall be in accordance with the provisions of law and rule;

(aa) to allow the commissioner of human services to license an additional 36 beds to provide residential services for the physically disabled under Minnesota Rules, parts 9570.2000 to 9570.3400, in a 198-bed nursing home located in Red Wing, provided that the total number of licensed and certified beds at the facility does not increase;

(bb) to license and certify a new facility in St. Louis County with 44 beds constructed to replace an existing facility in St. Louis County with 31 beds, which has resident rooms on two separate floors and an antiquated elevator that creates safety concerns for residents and prevents nonambulatory residents from residing on the second floor. The project shall include the elimination of three- and four-bed rooms;

(cc) to license and certify four beds in a 16-bed certified boarding care home in Minneapolis to replace beds that were voluntarily delicensed and decertified on or before March 31, 1992. The licensure and certification is conditional upon the facility periodically assessing and adjusting its resident mix and other factors which may contribute to a potential institution for mental disease declaration. The commissioner of human services shall retain the authority to audit the facility at any time and shall require the facility to comply with any requirements necessary to prevent an institution for mental disease declaration, including delicensure and decertification of beds, if necessary;

(dd) to license and certify 72 beds in an existing facility in Mille Lacs County with 80 beds as part of a renovation project. The renovation must include construction of an addition to accommodate ten residents with beginning and midstage dementia in a self-contained living unit; creation of three resident households where dining, activities, and support spaces are located near resident living quarters; designation of four beds for rehabilitation in a self-contained area; designation of 30 private rooms; and other improvements;

(ee) to license and certify beds in a facility that has undergone replacement or remodeling as part of a planned closure under section 256B.437;

(ff) to license and certify a total replacement project of up to 124 beds located in Wilkin County that are in need of relocation from a nursing home significantly damaged by flood. The operating cost payment rates for the new nursing facility shall be determined based on the interim and settle-up payment provisions of Minnesota Rules, part 9549.0057, and the reimbursement provisions of section 256B.431, except that section 256B.431, subdivision 26, paragraphs (a) and (b), shall not apply until the second rate year after the settle-up cost report is filed. Property-related reimbursement rates shall be determined under section 256B.431, taking into account any federal or state flood-related loans or grants provided to the facility;

(gg) to allow the commissioner of human services to license an additional nine beds to provide residential services for the physically disabled under Minnesota Rules, parts 9570.2000 to 9570.3400, in a 240-bed nursing home located in Duluth, provided that the total number of licensed and certified beds at the facility does not increase;

(hh) to license and certify up to 120 new nursing facility beds to replace beds in a facility in Anoka County, which was licensed for 98 beds as of July 1, 2000, provided the new facility is located within four miles of the existing facility and is in Anoka County. Operating and property rates shall be determined and allowed under section 256B.431 and Minnesota Rules, parts 9549.0010 to 9549.0080, or section 256B.434 or 256B.435. The provisions of section 256B.431, subdivision 26, paragraphs (a) and (b), do not apply until the second rate year following settle-up; or

(ii) to transfer up to 98 beds of a 129-licensed bed facility located in Anoka County that, as of March 25, 2001, is in the active process of closing, to a 122-licensed bed nonprofit nursing facility located in the city of Columbia Heights or its affiliate. The transfer is effective when the receiving facility notifies the commissioner in writing of the number of beds accepted. The commissioner shall place all transferred beds on layaway status held in the name of the receiving facility. The layaway adjustment provisions of section 256B.431, subdivision 30, do not apply to this layaway. The receiving facility may only remove the beds from layaway for recertification and relicensure at the receiving facility's current site, or at a newly constructed facility located in Anoka County. The receiving facility must receive statutory authorization before removing these beds from layaway status, or may remove these beds from layaway status if removal from layaway status is part of a moratorium exception project approved by the commissioner under section 144A.073.

Sec. 2. Minnesota Statutes 2010, section 144A.071, subdivision 5a, is amended to read:

Subd. 5a. **Cost estimate of a moratorium exception project.** (a) For the purposes of this section and section 144A.073, the cost estimate of a moratorium exception project shall include the effects of the proposed project on the costs of the state subsidy for community-based services, nursing services, and housing in institutional and noninstitutional settings. The commissioner of health, in cooperation with the commissioner of human services, shall define the method for estimating these costs in the permanent rule implementing section 144A.073. The commissioner of human services shall prepare an estimate of the total state annual long-term costs of each moratorium exception proposal.

(b) The interest rate to be used for estimating the cost of each moratorium exception project proposal shall be the lesser of either the prime rate plus two percentage points, or the posted yield for standard conventional fixed rate mortgages of the Federal Home Loan Mortgage Corporation plus two percentage points as published in the Wall Street Journal and in effect 56 days prior to the application deadline. If the applicant's proposal uses this interest rate, the commissioner of human services, in determining the facility's actual property-related payment rate to be established upon completion of the project must use the actual interest rate obtained by the facility for the project's permanent financing up to the maximum permitted under ~~subdivision 6~~ Minnesota Rules, part 9549.0060, subpart 6.

The applicant may choose an alternate interest rate for estimating the project's cost. If the applicant makes this election, the commissioner of human services, in determining the facility's actual property-related payment rate to be established upon completion of the project, must use the lesser of the actual interest rate obtained for the project's permanent financing or the interest rate which was used to estimate the proposal's project cost. For succeeding rate years, the applicant is at risk for financing costs in excess of the interest rate selected.

Sec. 3. Minnesota Statutes 2010, section 256B.431, subdivision 26, is amended to read:

Subd. 26. **Changes to nursing facility reimbursement beginning July 1, 1997.** The nursing facility reimbursement changes in paragraphs (a) to (e) shall apply in the sequence specified in Minnesota Rules, parts 9549.0010 to 9549.0080, and this section, beginning July 1, 1997.

(a) For rate years beginning on or after July 1, 1997, the commissioner shall limit a nursing facility's allowable operating per diem for each case mix category for each rate year. The commissioner shall group nursing facilities into two groups, freestanding and nonfreestanding, within each geographic group, using their operating cost per diem for the case mix A classification. A nonfreestanding nursing facility is a nursing facility whose other operating cost per diem is subject to the hospital attached, short length of stay, or the rule 80 limits. All other nursing facilities shall be considered freestanding nursing facilities. The commissioner shall then array all nursing facilities in each grouping by their allowable case mix A operating cost per diem. In calculating a nursing facility's operating cost per diem for this purpose, the commissioner shall exclude the raw food cost per diem related to providing special diets that are based on religious beliefs, as determined in subdivision 2b, paragraph (h). For those nursing facilities in each grouping whose case mix A operating cost per diem:

(1) is at or below the median of the array, the commissioner shall limit the nursing facility's allowable operating cost per diem for each case mix category to the lesser of the prior reporting year's allowable operating cost per diem as specified in Laws 1996, chapter 451, article 3, section 11, paragraph (h), plus the inflation factor as established in paragraph (d), clause (2), increased by two percentage points, or the current reporting year's corresponding allowable operating cost per diem; or

(2) is above the median of the array, the commissioner shall limit the nursing facility's allowable operating cost per diem for each case mix category to the lesser of the prior reporting year's allowable operating cost per diem as specified in Laws 1996, chapter 451, article 3, section 11, paragraph (h), plus the inflation factor as established in paragraph (d), clause (2), increased by one percentage point, or the current reporting year's corresponding allowable operating cost per diem.

For purposes of paragraph (a), if a nursing facility reports on its cost report a reduction in cost due to a refund or credit for a rate year beginning on or after July 1, 1998, the commissioner shall increase that facility's spend-up limit for the rate year following the current rate year by the amount of the cost reduction divided by its resident days for the reporting year preceding the rate year in which the adjustment is to be made.

(b) For rate years beginning on or after July 1, 1997, the commissioner shall limit the allowable operating cost per diem for high cost nursing facilities. After application of the limits in paragraph (a) to each nursing facility's operating cost per diem, the commissioner shall group nursing facilities into two groups, freestanding or nonfreestanding, within each geographic group. A nonfreestanding nursing facility is a nursing facility whose other operating cost per diem are subject to hospital attached, short length of stay, or rule 80 limits. All other nursing

facilities shall be considered freestanding nursing facilities. The commissioner shall then array all nursing facilities within each grouping by their allowable case mix A operating cost per diem. In calculating a nursing facility's operating cost per diem for this purpose, the commissioner shall exclude the raw food cost per diem related to providing special diets that are based on religious beliefs, as determined in subdivision 2b, paragraph (h). For those nursing facilities in each grouping whose case mix A operating cost per diem exceeds 1.0 standard deviation above the median, the commissioner shall reduce their allowable operating cost per diem by three percent. For those nursing facilities in each grouping whose case mix A operating cost per diem exceeds 0.5 standard deviation above the median but is less than or equal to 1.0 standard deviation above the median, the commissioner shall reduce their allowable operating cost per diem by two percent. However, in no case shall a nursing facility's operating cost per diem be reduced below its grouping's limit established at 0.5 standard deviations above the median.

(c) For rate years beginning on or after July 1, 1997, the commissioner shall determine a nursing facility's efficiency incentive by first computing the allowable difference, which is the lesser of \$4.50 or the amount by which the facility's other operating cost limit exceeds its nonadjusted other operating cost per diem for that rate year. The commissioner shall compute the efficiency incentive by:

- (1) subtracting the allowable difference from \$4.50 and dividing the result by \$4.50;
- (2) multiplying 0.20 by the ratio resulting from clause (1), and then;
- (3) adding 0.50 to the result from clause (2); and
- (4) multiplying the result from clause (3) times the allowable difference.

The nursing facility's efficiency incentive payment shall be the lesser of \$2.25 or the product obtained in clause (4).

(d) For rate years beginning on or after July 1, 1997, the forecasted price index for a nursing facility's allowable operating cost per diem shall be determined under clauses (1) and (2) using the change in the Consumer Price Index-All Items (United States city average) (CPI-U) as forecasted by Data Resources, Inc. The commissioner shall use the indices as forecasted in the fourth quarter of the calendar year preceding the rate year, subject to subdivision 21, paragraph (c).

(1) The CPI-U forecasted index for allowable operating cost per diem shall be based on the 21-month period from the midpoint of the nursing facility's reporting year to the midpoint of the rate year following the reporting year.

(2) For rate years beginning on or after July 1, 1997, the forecasted index for operating cost limits referred to in subdivision 21, paragraph (b), shall be based on the CPI-U for the 12-month period between the midpoints of the two reporting years preceding the rate year.

(e) After applying these provisions for the respective rate years, the commissioner shall index these allowable operating cost per diem by the inflation factor provided for in paragraph (d), clause (1), and add the nursing facility's efficiency incentive as computed in paragraph (c).

(f) For the rate years beginning on July 1, 1997, July 1, 1998, and July 1, 1999, a nursing facility licensed for 40 beds effective May 1, 1992, with a subsequent increase of 20 Medicare/Medicaid certified beds, effective January 26, 1993, in accordance with an increase in licensure is exempt from paragraphs (a) and (b).

~~(g) For a nursing facility whose construction project was authorized according to section 144A.073, subdivision 5, paragraph (g), the operating cost payment rates for the new location shall be determined based on Minnesota Rules, part 9549.0057. The relocation allowed under section 144A.073, subdivision 5, paragraph (g), and the rate determination allowed under this paragraph must meet the cost neutrality requirements of section 144A.073, subdivision 3c. Paragraphs (a) and (b) shall not apply until the second rate year after the settle up cost report is filed. Notwithstanding subdivision 2b, paragraph (g), real estate taxes and special assessments payable by the new location, a 501(c)(3) nonprofit corporation, shall be included in the payment rates determined under this subdivision for all subsequent rate years.~~



~~(h)~~ (g) For the rate year beginning July 1, 1997, the commissioner shall compute the payment rate for a nursing facility licensed for 94 beds on September 30, 1996, that applied in October 1993 for approval of a total replacement under the moratorium exception process in section 144A.073, and completed the approved replacement in June 1995, with other operating cost spend-up limit under paragraph (a), increased by \$3.98, and after computing the facility's payment rate according to this section, the commissioner shall make a one-year positive rate adjustment of \$3.19 for operating costs related to the newly constructed total replacement, without application of paragraphs (a) and (b). The facility's per diem, before the \$3.19 adjustment, shall be used as the prior reporting year's allowable operating cost per diem for payment rate calculation for the rate year beginning July 1, 1998. A facility described in this paragraph is exempt from paragraph (b) for the rate years beginning July 1, 1997, and July 1, 1998.

(h) For the purpose of applying the limit stated in paragraph (a), a nursing facility in Kandiyohi County licensed for 86 beds that was granted hospital-attached status on December 1, 1994, shall have the prior year's allowable care-related per diem increased by \$3.207 and the prior year's other operating cost per diem increased by \$4.777 before adding the inflation in paragraph (d), clause (2), for the rate year beginning on July 1, 1997.

(i) For the purpose of applying the limit stated in paragraph (a), a 117 bed nursing facility located in Pine County shall have the prior year's allowable other operating cost per diem increased by \$1.50 before adding the inflation in paragraph (d), clause (2), for the rate year beginning on July 1, 1997.

~~(j)~~ (j) For the purpose of applying the limit under paragraph (a), a nursing facility in Hibbing licensed for 192 beds shall have the prior year's allowable other operating cost per diem increased by \$2.67 before adding the inflation in paragraph (d), clause (2), for the rate year beginning July 1, 1997."

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

Westrom from the Committee on Civil Law to which was referred:

H. F. No. 1418, A bill for an act relating to commerce; limiting successor corporation asbestos-related liabilities; proposing coding for new law in Minnesota Statutes, chapter 604A.

Reported the same back with the following amendments:

Page 4, line 10, delete everything after the period

Page 4, delete lines 11 to 13

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

The report was adopted.

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

H. F. No. 1423, A bill for an act relating to human services; providing for child safety and permanency reform, including adoptions of children under guardianship of the commissioner; providing for criminal penalties; amending Minnesota Statutes 2010, sections 257.01; 259.22, subdivision 2; 259.23, subdivision 1; 259.24, subdivisions 1, 3, 5, 6a, 7, by adding a subdivision; 259.69; 259.73; 260.012; 260C.001; 260C.007, subdivision 4, by adding subdivisions; 260C.101, subdivision 2; 260C.150, subdivision 1; 260C.151, by adding a subdivision; 260C.152, subdivision 5; 260C.157, subdivision 1; 260C.163, subdivisions 1, 4, 8, by adding a subdivision; 260C.171, subdivisions 2, 3, by adding a subdivision; 260C.178, subdivisions 1, 7; 260C.193, subdivisions 3, 6; 260C.201, subdivisions 2, 10; 260C.212, subdivisions 5, 7; 260C.215, subdivisions 4, 6; 260C.301, subdivisions 1, 8; 260C.317, subdivisions 3, 4; 260C.325; 260C.328; 260C.451; 260D.08; 626.556, subdivisions 2, 10, 10e, 10f, 10i, 10k; proposing coding for new law in Minnesota Statutes, chapters 260C; 611; proposing coding for new law as Minnesota Statutes, chapter 259A; repealing Minnesota Statutes 2010, sections 256.022; 259.67; 259.71; 260C.201, subdivision 11; 260C.215, subdivision 2; 260C.456; Minnesota Rules, parts 9560.0071; 9560.0082; 9560.0083; 9560.0091; 9560.0093, subparts 1, 3, 4; 9560.0101; 9560.0102.

Reported the same back with the following amendments:

Page 33, after line 7, insert:

"Sec. 12. Minnesota Statutes 2010, section 260C.157, subdivision 3, is amended to read:

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

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

(c) If the court, prior to, or as part of, a final disposition, proposes to place a child:

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

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

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

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

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

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

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

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

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

Renumber the sections in sequence

Correct the title numbers accordingly

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

The report was adopted.

McNamara from the Committee on Environment, Energy and Natural Resources Policy and Finance to which was referred:

H. F. No. 1440, A bill for an act relating to energy; providing for exception to municipal approval for hydroelectric facility; amending Minnesota Statutes 2010, section 103G.535, subdivision 4.

Reported the same back with the following amendments:

Page 1, delete lines 21 to 23

Page 2, delete lines 1 and 2 and insert:

"(c) If authorization is not provided in accordance with paragraph (b), the remedy for the holder of Federal Energy Regulatory Commission License No. 11175 may be, but is not limited to, mandamus in district court.

"(d) If authorization is provided under paragraph (b), the Minneapolis Park and Recreation Board may by resolution impose a fee upon the holder of Federal Energy Regulatory Commission License No. 11175 based upon the annual energy production of the hydroelectric facility. The amount of the fee may not exceed four percent of the license holder's gross electric production revenues."

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

The report was adopted.

## **SECOND READING OF HOUSE BILLS**

H. F. Nos. 201, 447, 537, 575, 721, 745, 795, 912, 921, 928, 1117, 1134, 1152, 1284, 1286, 1405 and 1406 were read for the second time.

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

The following House Files were introduced:

Liebling introduced:

H. F. No. 1445, A bill for an act relating to health; changing provisions for body art technicians; amending Minnesota Statutes 2010, sections 146B.03, subdivision 4; 146B.04, subdivision 1; 146B.06, subdivision 5; 146B.10, subdivision 1.

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

Nornes introduced:

H. F. No. 1446, A bill for an act relating to liquor; eliminating certain conditions for a liquor license at TCF Bank Stadium; amending Minnesota Statutes 2010, section 340A.404, subdivision 4a; repealing Minnesota Statutes 2010, section 137.0226.

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

Melin and Rukavina introduced:

H. F. No. 1447, A bill for an act relating to natural resources; providing for resident hunting licenses for military personnel on leave; amending Minnesota Statutes 2010, section 97A.465, by adding a subdivision.

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

McFarlane, Mahoney, Lesch, Cornish, Gunther, Champion, Hayden, Leidiger and Murray introduced:

H. F. No. 1448, A bill for an act relating to employment; modifying reliance on credit or criminal history for employment requirements; amending Minnesota Statutes 2010, sections 181.981, subdivision 1; 364.021.

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

Urdahl and Poppe introduced:

H. F. No. 1449, A bill for an act relating to elections; enacting the Uniform Faithful Presidential Electors Act; making conforming changes; amending Minnesota Statutes 2010, sections 204B.07, subdivision 2; 208.02; 208.03; 208.06; 209.01, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 208; repealing Minnesota Statutes 2010, sections 208.07; 208.08.

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

McNamara and Kahn introduced:

H. F. No. 1450, A bill for an act relating to state government; approval of long-distance phone records; amending Minnesota Statutes 2010, section 10.43.

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

McNamara introduced:

H. F. No. 1451, A bill for an act relating to natural resources; requiring a shallow lakes management report.

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

Dettmer; Anderson, B.; Kriesel; Gruenhagen and Leidiger introduced:

H. F. No. 1452, A bill for an act relating to veterans; modifying eligibility for a tax credit for past military service; amending Minnesota Statutes 2010, section 290.0677, subdivision 2.

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

Kahn; Huntley; Murphy, E.; Benson, M.; Liebling and Quam introduced:

H. F. No. 1453, A bill for an act relating to insurance; requiring health insurance to cover routine health care received while participating in a qualified clinical trial under certain circumstances; proposing coding for new law in Minnesota Statutes, chapter 62Q.

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

Hansen, Garofalo, Liebling, Loeffler, Hausman and Rukavina introduced:

H. F. No. 1454, A bill for an act relating to campaign finance and elections; modifying the qualification requirements for inclusion of a political party on the income tax form and property tax refund return; modifying certain candidate filing periods; amending Minnesota Statutes 2010, sections 10A.31, subdivision 3a; 204B.09, subdivision 1; 205.13, subdivision 1a; 205A.06, subdivision 1a.

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

Urdahl; Murphy, M.; Loeffler; Lanning; Dean; Hansen; Norton; Kiel; Torkelson and Dill introduced:

H. F. No. 1455, A bill for an act relating to the Capitol building; establishing a State Capitol Preservation Commission; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 15B.

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

Hornstein, Hayden and Clark introduced:

H. F. No. 1456, A bill for an act relating to capital investment; appropriating money for the Lake Street Transit Station; authorizing the sale and issuance of state bonds.

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

Morrow and Brynaert introduced:

H. F. No. 1457, A bill for an act relating to civil law; extending civil immunity to municipalities that donate fire and rescue equipment; amending Minnesota Statutes 2010, section 466.03, by adding a subdivision.

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

Kiel, McFarlane, Urdahl, Greene and Simon introduced:

H. F. No. 1458, A bill for an act relating to cultural heritage; creating a reimbursement program for Minnesota film projects; proposing coding for new law in Minnesota Statutes, chapter 129D.

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

Lanning introduced:

H. F. No. 1459, A bill for an act relating to alcohol; modifying Minnesota State University, Moorhead, license restrictions; amending Minnesota Statutes 2010, section 340A.412, subdivision 4.

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

Slocum introduced:

H. F. No. 1460, A bill for an act relating to education finance; creating an option for a school district-sponsored collaborative charter school designed to enhance student achievement; 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 Reform.

Abeler introduced:

H. F. No. 1461, A bill for an act relating to human services; making changes to human services licensing provisions; changing data practices provisions; amending the Maltreatment of Vulnerable Adults Act; amending the Human Services Background Studies Act; amending Minnesota Statutes 2010, sections 13.46, subdivision 4; 245A.02, by adding subdivisions; 245A.04, subdivisions 1, 5, 7, 11; 245A.05; 245A.07, subdivision 3; 245A.08, subdivision 2a; 245A.10, subdivision 5; 245A.14, by adding a subdivision; 245A.22, subdivision 2; 245C.03, subdivision 1; 245C.04, subdivision 1; 245C.05, subdivisions 4, 6, 7; 245C.07; 245C.08, subdivisions 1, 2, 3; 245C.14, subdivision 2; 245C.15; 245C.22, subdivision 5; 245C.28, subdivisions 1, 3; 245C.29, subdivision 2; 256.045, subdivision 3b; 626.557, subdivisions 9c, 12b; 626.5572, subdivisions 8, 11, by adding a subdivision.

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

Howes, Nelson, Gruenhagen, Murdock and Sanders introduced:

H. F. No. 1462, A bill for an act relating to construction; requiring residential written contract performance guidelines be provided to subcontractors; amending Minnesota Statutes 2010, section 326B.809.

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

Anderson, P., introduced:

H. F. No. 1463, A bill for an act relating to environment; modifying Waste Management Act; amending Minnesota Statutes 2010, sections 115A.03, subdivision 25a; 115A.95.

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

Brynaert introduced:

H. F. No. 1464, A bill for an act relating to education; modifying licensure requirements for paraprofessionals using restrictive procedures; amending Minnesota Statutes 2010, section 125A.0942, subdivision 2.

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

Scott and Drazkowski introduced:

H. F. No. 1465, A bill for an act relating to public safety; permitting a county to use surplus law library money for court facility costs; eliminating licensing requirements for temporary detention facilities and detoxification centers; making permissive the appointment of counsel for a party in a paternity proceeding; authorizing sheriffs to determine the appropriate level of staff needed to operate county jails; eliminating a report on interception of electronic and wireless communications, county maintenance of a detoxification facility, and an administrative rule establishing staffing requirements for jails; amending Minnesota Statutes 2010, sections 134A.12; 241.021, subdivision 1; 257.69, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 641; repealing Minnesota Statutes 2010, sections 254A.08, subdivisions 1, 2; 256G.06; 626A.17; Minnesota Rules, part 2911.0900.

The bill was read for the first time and referred to the Committee on Public Safety and Crime Prevention Policy and Finance.

Scott introduced:

H. F. No. 1466, A bill for an act relating to state government; making technical changes to data practices; amending Minnesota Statutes 2010, sections 13.02, subdivisions 3, 4, 8a, 9, 12, 13, 14, 15; 13.03, subdivision 1; 13.10, subdivision 1; 13.201; 13.202, subdivision 3; 13.35; 13.3805, subdivisions 1, 2; 13.384, subdivision 1; 13.39, subdivision 2; 13.392, subdivision 1; 13.393; 13.40, subdivision 1; 13.41, subdivision 2; 13.46, subdivisions 2, 3, 4, 5, 6; 13.462, subdivision 1; 13.467, subdivision 1; 13.47, subdivision 1; 13.485, by adding subdivisions; 13.495; 13.51, subdivisions 1, 2; 13.52; 13.548; 13.55, subdivision 1; 13.585, subdivisions 2, 3, 4; 13.59, subdivisions 1, 2, 3; 13.591, subdivision 4; 13.601, subdivision 3; 13.643, subdivisions 1, 2, 3, 5, 6, 7; 13.6435, by adding a subdivision; 13.65, subdivisions 1, 2, 3; 13.67; 13.679, subdivisions 1, 2; 13.714; 13.719, subdivisions 1, 5; 13.7191, subdivisions 14, 18; 13.72, subdivision 7; 13.792; 13.7932; 13.82, subdivisions 2, 3, 6, 7; 13.83, subdivisions 2, 4, 6; 13.861, subdivision 1; 13.87, subdivisions 1, 2; 79A.16; 79A.28; proposing coding for new law in Minnesota Statutes, chapter 13D.

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

Cornish; Dill; Smith; Hoppe; Koenen; Kiffmeyer; Nornes; Erickson; Holberg; Mack; Fabian; Westrom; Drazkowski; Benson, M.; Franson; Scott; Anderson, B.; Quam; Dettmer; McDonald; Wardlow; Leidiger; Banaian; Bills; Torkelson; Vogel; Anzelc; Persell; Marquart; Davids; LeMieur; Shimanski; Lohmer; Gottwalt and Garofalo introduced:

H. F. No. 1467, A bill for an act relating to firearms; directing the commissioner of human services to report mental health commitment information to the National Instant Criminal Background Check System for the purpose of facilitating firearms background checks; creating a reporting requirement; extending time period for renewal of permit to purchase a pistol from a federally licensed dealer; providing for an annual background check; requiring courts to report certain data to the National Instant Criminal Background Check System for the purpose of firearms background checks; clarifying and delimiting the authority of public officials to disarm individuals at any time; clarifying law on use of force in defense of home and person; codifying and extending Minnesota's self-defense and defense of home laws; eliminating the common law duty to retreat in cases of self defense outside the home; expanding the boundaries of dwelling for purposes of self-defense; creating a presumption in the case of a person entering a dwelling or occupied vehicle by stealth or force; extending the rights available to a person in that person's dwelling to a person defending against entry of that person's occupied vehicle; providing for the recognition by Minnesota of other states' permits to carry a pistol within and under the laws of Minnesota; amending Minnesota Statutes 2010, sections 245.041; 609.065; 624.713, by adding a subdivision; 624.7131, subdivisions 2, 6, 8; 624.714, subdivision 16; proposing coding for new law in Minnesota Statutes, chapter 624.

The bill was read for the first time and referred to the Committee on Public Safety and Crime Prevention Policy and Finance.



LeMieur introduced:

H. F. No. 1468, A bill for an act relating to public safety; authorizing law enforcement agencies to sell forfeited firearms at auction to federally licensed firearms dealers; amending Minnesota Statutes 2010, section 609.5316, subdivision 1.

The bill was read for the first time and referred to the Committee on Public Safety and Crime Prevention Policy and Finance.

Persell and Eken introduced:

H. F. No. 1469, A bill for an act relating to cultural heritage; appropriating money to Niiiji Broadcasting for new programming.

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

Stensrud introduced:

H. F. No. 1470, A bill for an act relating to state government; making changes to state government resource recovery program; amending Minnesota Statutes 2010, section 115A.15, subdivisions 2, 9, 10; repealing Minnesota Statutes 2010, section 115A.15, subdivisions 4, 6.

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

Hortman and McNamara introduced:

H. F. No. 1471, A bill for an act relating to environment; modifying electronic device recycling requirements; amending Minnesota Statutes 2010, sections 115A.1310, subdivisions 7, 20; 115A.1312, subdivision 2; 115A.1314, subdivision 1.

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

O'Driscoll and Abeler introduced:

H. F. No. 1472, A bill for an act relating to commerce; prohibiting certain practices relating to the management of certain properties; providing remedies; proposing coding for new law in Minnesota Statutes, chapter 325E.

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

Hoppe introduced:

H. F. No. 1473, A bill for an act relating to insurance; modifying a definition; regulating life insurance and title insurance reserves; regulating certain accounts and funding agreements; repealing obsolete and conflicting provisions; making conforming changes; amending Minnesota Statutes 2010, sections 60A.60, subdivision 9; 60C.03, subdivision 6; 61A.25, subdivision 4; 61A.282, subdivision 2; 68A.03, subdivision 3; 72A.31, subdivision 1; repealing Minnesota Statutes 2010, sections 61A.275; 61A.276, subdivision 4; 67A.27; 67A.28; 67A.29; 67A.30, subdivisions 1, 3; 67A.31; 67A.32; 67A.34; 67A.35; 67A.36; 67A.37; 67A.38; 67A.39.

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

Anderson, D.; Gruenhagen; Drazkowski; Shimanski and McElfattrick introduced:

H. F. No. 1474, A bill for an act relating to judges; creating judicial election districts; amending the mandatory retirement date for judges; creating optional retirement dates; imposing partial forfeiture of annuity under certain circumstances; amending Minnesota Statutes 2010, sections 2.722, subdivision 1; 10A.09, subdivision 1; 204B.06, subdivision 6; 490.121, subdivision 21d, by adding subdivisions; 490.124, subdivisions 1, 3, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 480B.

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

Lanning introduced:

H. F. No. 1475, A bill for an act relating to human services; making technical and policy changes to children and family services provisions; making changes to the Minnesota family investment program and child care assistance program; simplifying the Minnesota family investment program and diversionary work program; changing a child support provision; amending Minnesota Statutes 2010, sections 119B.09, subdivision 7; 119B.12, subdivisions 1, 2; 119B.125, subdivisions 1a, 2, 6; 119B.13, subdivisions 1, 3a, 6; 119B.19, subdivision 7; 119B.21, subdivision 5; 256J.08, subdivision 11; 256J.24, subdivisions 2, 6; 256J.32, subdivision 6; 256J.621; 256J.68, subdivision 7; 256J.95, subdivision 3; 518C.205.

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

Scott, Hoppe, Holberg, Beard, Kieffer, Swedzinski, LeMieur and Downey introduced:

H. F. No. 1476, A bill for an act relating to labor and employment; modifying prevailing wage provisions; amending Minnesota Statutes 2010, section 177.42, subdivisions 4, 6.

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

Anderson, B., introduced:

H. F. No. 1477, A bill for an act relating to veterans homes; expanding permitted uses of certain funds; amending Minnesota Statutes 2010, section 198.261.

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

Kiffmeyer, Gottwalt, Hilty, Cornish and Morrow introduced:

H. F. No. 1478, A bill for an act relating to human services; modifying certain provisions regarding the Minnesota sex offender program; amending Minnesota Statutes 2010, sections 253B.141, subdivision 2; 253B.185, subdivisions 1, 16, by adding subdivisions; 253B.19, subdivision 2; 609.485, subdivision 2.

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

Murdock introduced:

H. F. No. 1479, A bill for an act relating to capital investment; appropriating money for street and utility improvements in Wadena; authorizing the sale and issuance of state bonds.

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

Gunther and Kriesel introduced:

H. F. No. 1480, A bill for an act relating to horse racing; providing for certain powers of the racing commission; permitting persons to place certain wagers; amending Minnesota Statutes 2010, sections 240.22; 240.24, subdivision 1; 240.25, subdivision 2.

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

LeMieur introduced:

H. F. No. 1481, A bill for an act relating to veterans homes; veterans homes special revenue account; amending Minnesota Statutes 2010, section 198.003, by adding a subdivision.

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

Hornstein and Beard introduced:

H. F. No. 1482, A bill for an act relating to drivers' license; providing for acceptable methods of payment; imposing surcharge; amending Minnesota Statutes 2010, section 171.061, subdivision 4.

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

Hamilton, Norton, Huntley, Dean, McFarlane and Mack introduced:

H. F. No. 1483, A bill for an act relating to health; changing provisions in dental practice; amending Minnesota Statutes 2010, sections 150A.05, subdivision 1b; 150A.105, subdivisions 2, 8; 150A.106.

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

Kelly, McFarlane, Davnie and Mariani introduced:

H. F. No. 1484, A bill for an act relating to education; modifying adult education tracking system; amending Minnesota Statutes 2010, section 124D.52, subdivision 7.

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

Kriesel, Dill, Tillberry, Hoppe, Zellers, Murdock, Ward, Shimanski and Erickson introduced:

H. F. No. 1485, A bill for an act relating to gambling; modifying certain rates of tax on lawful gambling; providing for linked bingo and electronic pull-tabs; making clarifying, conforming, and technical changes; amending Minnesota Statutes 2010, sections 297E.02, subdivisions 1, 4, 6; 349.12, subdivisions 5, 9, 12a, 25b, 25c, 25d, 29, 32, 32a; 349.13; 349.151, subdivisions 4b, 4c, by adding a subdivision; 349.161, subdivision 1; 349.163, subdivisions 1, 9; 349.1635, subdivision 2; 349.17, subdivisions 6, 7, 8; 349.1721, by adding a subdivision; 349.18, subdivision 1; 349.211, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 349.

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

Dittrich, Greiling, Ward and Lenczewski introduced:

H. F. No. 1486, A bill for an act relating to the permanent school fund; limiting the portion of fire suppression costs that may be assessed against permanent school trust lands; amending Minnesota Statutes 2010, section 16A.125, subdivision 5.

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

Myhra, Erickson, Garofalo, Downey, Loon, Doepke and Woodard introduced:

H. F. No. 1487, A bill for an act relating to education; formulating a statewide literacy initiative to ensure students succeed in achieving grade-level reading proficiency by the end of grade 3; providing data to improve student outcomes; amending Minnesota Statutes 2010, section 120B.36, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 120B.

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

Quam, Davids and Runbeck introduced:

H. F. No. 1488, A bill for an act relating to transportation; modifying formula for municipal state aid to cities; amending Minnesota Statutes 2010, section 162.13, subdivision 1.

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

Kelly and Mullery introduced:

H. F. No. 1489, A bill for an act relating to elections; requiring certain notices; providing an affirmative defense; eliminating certain duties and requirements; creating a working group; requiring a report; amending Minnesota Statutes 2010, sections 201.054, by adding a subdivision; 201.155; 201.275; repealing Minnesota Statutes 2010, section 201.157.

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

Erickson introduced:

H. F. No. 1490, A bill for an act relating to education; adopting a response to intervention model; requiring rulemaking; requiring a report; repealing Minnesota Rules, parts 3525.1329, subpart 3; 3525.1341, subpart 2, item B.

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

Fabian, Ward and Swedzinski introduced:

H. F. No. 1491, A bill for an act relating to environment; requiring rulemaking for certain environmental review and solid waste land disposal facility permits.

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

Lohmer, Hayden, Abeler and Hansen introduced:

H. F. No. 1492, A bill for an act relating to mental health; adding a member to the State Advisory Council on Mental Health; amending Minnesota Statutes 2010, section 245.697, subdivision 1.

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

Cornish introduced:

H. F. No. 1493, A bill for an act relating to alcohol; creating a primary source law for distilled spirits; amending Minnesota Statutes 2010, section 340A.311.

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

Hortman introduced:

H. F. No. 1494, A bill for an act relating to solid waste; requiring a refund to be placed on recyclable beverage containers; requiring labeling of beverage containers; establishing an account; providing reports; appropriating money; amending Minnesota Statutes 2010, section 13.7411, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 115A.

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

## **MESSAGES FROM THE SENATE**

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 12, A bill for an act relating to taxation; property; making changes to the green acres and rural preserve programs; amending Minnesota Statutes 2010, sections 273.111, subdivision 9, by adding a subdivision; 273.114, subdivisions 2, 5, 6; repealing Minnesota Statutes 2010, section 273.114, subdivision 1.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

CAL R. LUDEMAN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 323, A bill for an act relating to real estate professionals; regulating the provision of broker price opinions on residential real estate; amending Minnesota Statutes 2010, sections 82.55, by adding subdivisions; 82.81, subdivision 9; 82B.021, subdivision 19; 82B.035, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 82.

CAL R. LUDEMAN, Secretary of the Senate

Mr. Speaker:

I hereby announce the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 887, A bill for an act relating to state government; appropriating money for jobs, economic development, and housing; modifying certain programs; modifying fees and licensing, registration, and continuing education provisions; amending Minnesota Statutes 2010, sections 116J.035, by adding a subdivision; 116J.8737, subdivisions 1, 2, 4; 116L.04, subdivision 1; 181.723, subdivision 5; 182.6553, subdivision 6; 326B.04, subdivision 2; 326B.091; 326B.098; 326B.13, subdivision 8; 326B.148, subdivision 1; 326B.42, subdivisions 8, 9, 10, by adding subdivisions; 326B.435, subdivision 2; 326B.438; 326B.46, subdivisions 1a, 1b, 2, 3; 326B.47, subdivisions 1, 3; 326B.49, subdivision 1; 326B.56, subdivision 1; 326B.58; 326B.82, subdivisions 2, 3, 7, 9; 326B.821, subdivisions 1, 5, 5a, 6, 7, 8, 9, 10, 11, 12, 15, 16, 18, 19, 20, 22, 23; 326B.865; 326B.89, subdivisions 6, 8; 327.32, subdivisions 1a, 1b, 1e; 327.33, subdivisions 1, 2; 341.321; Laws 2009, chapter 78, article 1, section 18; proposing coding for new law in Minnesota Statutes, chapter 326B; repealing Minnesota Statutes 2010, sections 326B.82, subdivisions 4, 6; 326B.821, subdivision 3.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Michel, Lillie, Daley, Miller, and Pederson.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

CAL R. LUDEMAN, Secretary of the Senate

Gunther moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 5 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 887. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 1016.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

CAL R. LUDEMAN, Secretary of the Senate

#### CONFERENCE COMMITTEE REPORT ON S. F. NO. 1016

A bill for an act relating to state government; appropriating money for agriculture, the Board of Animal Health, and the Agricultural Utilization Research Institute; modifying certain fees; modifying certain restrictions on farm disposal; clarifying the authority of certain entities; amending Minnesota Statutes 2010, sections 17.135; 18B.03, subdivision 1; 18C.005, by adding a subdivision; 18C.111, by adding a subdivision; 18C.131; 18C.425, by adding a subdivision; 18D.201, subdivision 5, by adding a subdivision; 18E.03, subdivision 4; 27.041, by adding a subdivision; 38.01; 373.01, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 115A.

April 12, 2011

The Honorable Michelle L. Fischbach  
President of the Senate

The Honorable Kurt Zellers  
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 1016 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S. F. No. 1016 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. **SUMMARY OF APPROPRIATIONS.**

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

	<u>2012</u>	<u>2013</u>	<u>Total</u>
<u>General</u>	\$45,406,000	\$31,195,000	\$76,601,000
<u>Agricultural</u>	\$800,000	\$800,000	\$1,600,000
<u>Remediation</u>	\$388,000	\$388,000	\$776,000
<b><u>Total</u></b>	<b><u>\$46,594,000</u></b>	<b><u>\$32,383,000</u></b>	<b><u>\$78,977,000</u></b>

Sec. 2. **AGRICULTURE APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this act. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2012" and "2013" used in this act mean that the appropriations listed under them are available for the fiscal year ending June 30, 2012, or June 30, 2013, respectively. "The first year" is fiscal year 2012. "The second year" is fiscal year 2013. "The biennium" is fiscal years 2012 and 2013.

**APPROPRIATIONS**  
**Available for the Year**  
**Ending June 30**  
**2012**                      **2013**

Sec. 3. **DEPARTMENT OF AGRICULTURE**

Subdivision 1. **Total Appropriation**                      **\$39,110,000**                      **\$24,899,000**

Appropriations by Fund

	<u>2012</u>	<u>2013</u>
<u>General</u>	<u>37,922,000</u>	<u>23,711,000</u>
<u>Remediation</u>	<u>388,000</u>	<u>388,000</u>
<u>Agricultural</u>	<u>800,000</u>	<u>800,000</u>

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Protection Services**                      **12,473,000**                      **12,193,000**

Appropriations by Fund

<u>General</u>	<u>12,085,000</u>	<u>11,805,000</u>
<u>Remediation</u>	<u>388,000</u>	<u>388,000</u>

\$388,000 the first year and \$388,000 the second year are from the remediation fund for administrative funding for the voluntary cleanup program.

\$75,000 the first year and \$75,000 the second year are for compensation for destroyed or crippled animals under Minnesota Statutes, section 3.737. If the amount in the first year is insufficient, the amount in the second year is available in the first year.

\$75,000 the first year and \$75,000 the second year are for compensation for crop damage under Minnesota Statutes, section 3.7371. If the amount in the first year is insufficient, the amount in the second year is available in the first year.

If the commissioner determines that claims made under Minnesota Statutes, section 3.737 or 3.7371, are unusually high, amounts appropriated for either program may be transferred to the appropriation for the other program.

\$245,000 the first year and \$245,000 the second year are for an increase in retail food handler inspections. This is a onetime appropriation. No later than February 1, 2013, the commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance regarding the commissioner's progress in addressing the department's shortfall of necessary inspections and recommendations for fee changes to eliminate the shortfall.



\$280,000 the first year is for an increase in anhydrous ammonia oversight. No later than February 1, 2013, the commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance regarding the commissioner's progress in addressing the department's shortfall of necessary inspections and recommendations for fee changes to eliminate the shortfall.

**Subd. 3. Agricultural Marketing and Development**

3,062,000

3,062,000

\$186,000 the first year and \$186,000 the second year are for transfer to the Minnesota grown account and may be used as grants for Minnesota grown promotion under Minnesota Statutes, section 17.102. Grants may be made for one year. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2013, for Minnesota grown grants in this paragraph are available until June 30, 2015. \$50,000 of the appropriation in each year is for efforts that identify and promote Minnesota grown products in retail food establishments including but not limited to restaurants, grocery stores, and convenience stores.

\$100,000 the first year and \$100,000 the second year are to provide training and technical assistance to county and town officials relating to livestock siting issues and local zoning and land use planning, including maintenance of the checklist template clarifying the federal, state, and local government requirements for consideration of an animal agriculture modernization or expansion project. For the training and technical assistance program, the commissioner shall continue to seek guidance, advice, and support of livestock producer organizations, general agricultural organizations, local government associations, academic institutions, other government agencies, and others with expertise in land use and agriculture.

Up to \$100,000 each year of this appropriation may be used for grants to farmers for demonstration projects involving sustainable agriculture as authorized in Minnesota Statutes, section 17.116. Of the amount for grants, up to \$20,000 may be used for dissemination of information about the demonstration projects. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2013, for sustainable agriculture grants in this paragraph are available until June 30, 2015.

\$10,000 the first year and \$10,000 the second year are for annual cost-share payments to resident farmers or persons who sell, process, or package agricultural products in this state for the costs of organic certification. Annual cost-share payments per farmer must be two-thirds of the cost of the certification or \$350, whichever is less. In any year that a resident farmer or person who sells, processes, or packages agricultural products in this state receives a federal organic certification cost-share payment, that resident farmer or person is not eligible for state cost-share

payments. A certified farmer is eligible to receive annual certification cost-share payments for up to five years. The commissioner may allocate any excess appropriation in either fiscal year for organic market and program development including organic producer education efforts, assistance for persons transitioning from conventional to organic agriculture, or sustainable agriculture demonstration grants authorized under Minnesota Statutes, section 17.116, and pertaining to organic research or demonstration. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

\$100,000 each year is for a licensed education professional for the Agriculture in the Classroom program to develop and disseminate curriculum, provide teacher training opportunities, and work with schools to enhance agricultural literacy by incorporating agriculture into classroom curriculum.

**Subd. 4. Bioenergy and Value-Added Agriculture**

16,332,000

2,301,000

\$13,732,000 the first year is for ethanol producer payments under Minnesota Statutes, section 41A.09. If the total amount for which all producers are eligible in a quarter exceeds the amount available for payments, the commissioner shall make payments on a pro rata basis. If the appropriation exceeds the total amount for which all producers are eligible, the balance in the appropriation is available to the commissioner for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12. The appropriation remains available until spent.

\$2,500,000 the first year is for bioenergy grants. The NextGen Energy Board, established in Minnesota Statutes, section 41A.105, shall make recommendations to the commissioner on grants for owners of Minnesota facilities producing bioenergy, organizations that provide for on-station, on-farm field scale research and outreach to develop and test the agronomic and economic requirements of diverse stands of prairie plants and other perennials for bioenergy systems, or certain nongovernmental entities. For the purposes of this paragraph, "bioenergy" includes transportation fuels derived from cellulosic material, as well as the generation of energy for commercial heat, industrial process heat, or electrical power from cellulosic material via gasification or other processes. Grants are limited to 50 percent of the cost of research, technical assistance, or equipment related to bioenergy production or \$500,000, whichever is less. Grants to nongovernmental entities for the development of business plans and structures related to community ownership of eligible bioenergy facilities together may not exceed \$150,000. The board shall make a good-faith effort to select projects that have merit, and, when taken together, represent a variety of bioenergy technologies, biomass feedstocks, and geographic regions of the state. Projects must have a qualified engineer provide certification on the technology and fuel source.

Grantees must provide reports at the request of the commissioner. No later than February 1, 2013, the commissioner shall report on the projects funded under this appropriation to the legislative committees with jurisdiction over agriculture finance. The commissioner's costs in administering the program may be paid from the appropriation. This is a onetime appropriation and is available until June 30, 2013.

\$2,301,000 the second year is for the agricultural growth, research, and innovation program in Minnesota Statutes, section 41A.12. The commissioner may use up to 4.5 percent of this appropriation for costs incurred to administer the program. Any unencumbered balance does not cancel at the end of the first year and is available in the second year. The base budget for fiscal year 2014 and later is \$10,247,000 each year.

\$100,000 the first year is to provide a grant for a feasibility study, site identification, and site acquisition for a proposed biomass plant in Lake of the Woods County.

**Subd. 5. Administration and Financial Assistance**

7,243,000

7,343,000

Appropriations by Fund

<u>General</u>	<u>6,443,000</u>	<u>6,543,000</u>
<u>Agricultural</u>	<u>800,000</u>	<u>800,000</u>

\$634,000 the first year and \$634,000 the second year are for continuation of the dairy development and profitability enhancement and dairy business planning grant programs established under Laws 1997, chapter 216, section 7, subdivision 2, and Laws 2001, First Special Session chapter 2, section 9, subdivision 2. The commissioner may allocate the available sums among permissible activities, including efforts to improve the quality of milk produced in the state in the proportions that the commissioner deems most beneficial to Minnesota's dairy farmers. The commissioner must submit a detailed accomplishment report and a work plan detailing future plans for, and anticipated accomplishments from, expenditures under this program to the chairs and ranking minority members of the legislative committees with jurisdiction over agricultural policy and finance on or before the start of each fiscal year. If significant changes are made to the plans in the course of the year, the commissioner must notify the chairs and ranking minority members.

\$47,000 the first year and \$47,000 the second year are for the Northern Crops Institute. These appropriations may be spent to purchase equipment.

\$18,000 the first year and \$18,000 the second year are for a grant to the Minnesota Livestock Breeders Association.

\$235,000 the first year and \$235,000 the second year are for grants to the Minnesota Agricultural Education and Leadership Council for programs of the council under Minnesota Statutes, chapter 41D.

\$474,000 the first year and \$474,000 the second year are for payments to county and district agricultural societies and associations under Minnesota Statutes, section 38.02, subdivision 1. Aid payments to county and district agricultural societies and associations shall be disbursed no later than July 15 of each year. These payments are the amount of aid from the state for an annual fair held in the previous calendar year.

\$1,000 the first year and \$1,000 the second year are for grants to the Minnesota State Poultry Association.

\$108,000 the first year and \$108,000 the second year are for annual grants to the Minnesota Turf Seed Council for basic and applied research on: (1) the improved production of forage and turf seed related to new and improved varieties; and (2) native plants, including plant breeding, nutrient management, pest management, disease management, yield, and viability. The grant recipient may subcontract with a qualified third party for some or all of the basic or applied research.

\$500,000 the first year and \$500,000 the second year are for grants to Second Harvest Heartland on behalf of Minnesota's six Second Harvest food banks for the purchase of milk for distribution to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Milk purchased under the grants must be acquired from Minnesota milk processors and based on low-cost bids. The milk must be allocated to each Second Harvest food bank serving Minnesota according to the formula used in the distribution of United States Department of Agriculture commodities under The Emergency Food Assistance Program (TEFAP). Second Harvest Heartland must submit quarterly reports to the commissioner on forms prescribed by the commissioner. The reports must include, but are not limited to, information on the expenditure of funds, the amount of milk purchased, and the organizations to which the milk was distributed. Second Harvest Heartland may enter into contracts or agreements with food banks for shared funding or reimbursement of the direct purchase of milk. Each food bank receiving money from this appropriation may use up to two percent of the grant for administrative expenses.

\$94,000 the first year and \$94,000 the second year are for transfer to the Board of Trustees of the Minnesota State Colleges and Universities for statewide mental health counseling support to farm families and business operators through farm business management programs at Central Lakes College and Ridgewater College.

\$17,000 the first year and \$17,000 the second year are for grants to the Minnesota Horticultural Society.

Notwithstanding Minnesota Statutes, section 18C.131, \$800,000 the first year and \$800,000 the second year are from the fertilizer account in the agricultural fund for grants for fertilizer research as awarded by the Minnesota Agricultural Fertilizer Research and Education Council under Minnesota Statutes, section 18C.71. The amount appropriated in either fiscal year must not exceed 57 percent of the inspection fee revenue collected under Minnesota Statutes, section 18C.425, subdivision 6, during the previous fiscal year. No later than February 1, 2013, the commissioner shall report to the legislative committees with jurisdiction over agriculture finance. The report must include the progress and outcome of funded projects as well as the sentiment of the council concerning the need for additional research funds.

\$100,000 the second year is for a grant to the Center for Rural Policy and Development in St. Peter. This is a onetime appropriation. By January 15, 2012, the Center shall report to the chairs and ranking minority members of the senate and house of representatives committees on agricultural finance on the planned expenditures of money appropriated in this paragraph.

Sec. 4. <b><u>BOARD OF ANIMAL HEALTH</u></b>	<b><u>\$4,841,000</u></b>	<b><u>\$4,841,000</u></b>
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Sec. 5. <b><u>AGRICULTURAL UTILIZATION RESEARCH INSTITUTE</u></b>	<b><u>\$2,643,000</u></b>	<b><u>\$2,643,000</u></b>
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Sec. 6. Minnesota Statutes 2010, section 17.135, is amended to read:

**17.135 FARM DISPOSAL OF SOLID WASTE.**

(a) A permit is not required from a state agency, except under sections 88.16, 88.17, and 88.22 for a person who owns or operates land used for farming that buries, or burns and buries;

(1) solid waste generated from the person's household or as part of the person's farming operation if the burying is done; or

(2) concrete or reinforcing bar from a building or structure located on the land used for farming.

Items in clauses (1) and (2) must be buried in a nuisance-free, pollution-free, and aesthetic manner on the land used for farming. ~~This~~ The exception in clause (1) does not apply if regularly scheduled pickup of solid waste is reasonably available at the person's farm, as determined by resolution of the county board of the county where the person's farm is located.

(b) ~~This~~ The exemption in paragraph (a), clause (1), does not apply to burning tires or plastics, except plastic baling twine, or to burning or burial of the following materials:

(1) household hazardous waste as defined in section 115A.96, subdivision 1;

(2) appliances, including but not limited to, major appliances as defined in section 115A.03, subdivision 17a;

- (3) household batteries;
- (4) used motor oil; and
- (5) lead acid batteries from motor vehicles.

(c) Within 90 days after completion of the burial, an owner of land used for farming who buries material under the authority of paragraph (a), clause (2), shall record, with the county recorder or registrar of titles of the county in which the land is located, an affidavit containing a legal description of the property and a map drawn from available information showing the boundary of the property and the location of concrete or reinforcing bar buried on the property. The county recorder or registrar of titles must record an affidavit presented under this paragraph in a manner that ensures its disclosure in the ordinary course of a title search of the subject property.

Sec. 7. Minnesota Statutes 2010, section 18B.03, subdivision 1, is amended to read:

Subdivision 1. **Administration by commissioner.** The commissioner shall administer, implement, and enforce this chapter and the Department of Agriculture is the lead state agency for the regulation of pesticides. The commissioner has the sole regulatory authority over the terrestrial application of pesticides, including, but not limited to, the application of pesticides to agricultural crops, structures, and other nonaquatic environments.

Sec. 8. Minnesota Statutes 2010, section 18C.005, is amended by adding a subdivision to read:

Subd. 1b. **Ammonia and anhydrous ammonia.** "Ammonia" and "anhydrous ammonia" are used interchangeably and mean a compound formed by the chemical combinations of the elements nitrogen and hydrogen in the molar proportion of one part nitrogen to three parts hydrogen. This relationship is shown by the chemical formula, NH<sub>3</sub>. On a weight basis, the ratio is 14 parts nitrogen to three parts hydrogen or approximately 82 percent nitrogen to 18 percent hydrogen. Ammonia may exist in either a gaseous or a liquid state. Ammonia or anhydrous ammonia does not include aqua ammonia or ammonium hydroxide, which are solutions of ammonia in water and are sometimes called ammonia.

Sec. 9. Minnesota Statutes 2010, section 18C.111, is amended by adding a subdivision to read:

Subd. 4. **Certification of regulatory compliance.** (a) The commissioner may, under rules adopted under section 18C.121, subdivision 1, certify a person to offer or perform a regulatory compliance inspection of any person or site that stores, handles, or distributes ammonia or anhydrous ammonia fertilizer.

(b) Pursuant to those rules, a person certified under paragraph (a) may issue a certification of compliance to an inspected person or site if the certified person documents in writing full compliance with the provisions of this chapter and rules adopted under this chapter.

(c) A person or site issued a certification of compliance must provide a copy of the certification to the commissioner immediately upon request or within 90 days following certification.

(d) Certifications of compliance are valid for a period of three years. The commissioner may determine a different time period in the interest of public safety or for other reasonable cause.

Sec. 10. Minnesota Statutes 2010, section 18D.201, is amended by adding a subdivision to read:

Subd. 7. **Compliance and inspection frequency.** (a) The commissioner may implement policies and procedures that provide for a decrease in the frequency of regulatory inspection for a person or site issued a certification of compliance pursuant to section 18C.111, subdivision 4.

(b) The commissioner must consider the compliance history, enforcement record, and other public safety or environmental risk factors in determining the eligibility of a person or site for the reduced frequency of inspection described in paragraph (a). If the commissioner determines that a person or site is ineligible, the commissioner must notify the person or site of that ineligibility and the reasons for that determination.

(c) The compliance findings of the commissioner's inspection of a person or site that stores, handles, or distributes ammonia and anhydrous ammonia fertilizer may be used as a basis for decreased frequency of regulatory inspection, as described in paragraphs (a) and (b).

Sec. 11. Minnesota Statutes 2010, section 18E.03, subdivision 4, is amended to read:

Subd. 4. **Fee.** (a) The response and reimbursement fee consists of the surcharges and any adjustments made by the commissioner in this subdivision and shall be collected by the commissioner. The amount of the response and reimbursement fee shall be determined and imposed annually by the commissioner as required to satisfy the requirements in subdivision 3. The commissioner shall adjust the amount of the surcharges imposed in proportion to the amount of the surcharges listed in this subdivision. License application categories under paragraph (d) must be charged in proportion to the amount of surcharges imposed up to a maximum of 50 percent of the license fees set under chapters 18B and 18C.

(b) The commissioner shall impose a surcharge on pesticides registered under chapter 18B to be collected as a surcharge on the gross sales under section 18B.26, subdivision 3, that is equal to 0.1 percent of sales of the pesticide in the state and sales of pesticides for use in the state during the previous calendar year, except the surcharge may not be imposed on pesticides that are sanitizers or disinfectants as determined by the commissioner. No surcharge is required if the surcharge amount based on percent of annual gross sales of a nonagricultural pesticide is less than \$10. Sales of pesticides in the state for use outside of the state are exempt from the surcharge in this paragraph if the registrant, agricultural pesticide dealer, or pesticide dealer properly documents the sale location and the distributors.

(c) The commissioner shall impose a ten cents per ton surcharge on the inspection fee under section 18C.425, subdivision 6, for fertilizers, soil amendments, and plant amendments.

(d) The commissioner shall impose a surcharge on the license application of persons licensed under chapters 18B and 18C consisting of:

(1) a \$75 surcharge for each site where pesticides are stored or distributed, to be imposed as a surcharge on pesticide dealer application fees under section 18B.31, subdivision 5, and the agricultural pesticide dealer application fee under section 18B.316, subdivision 10;

(2) a \$75 surcharge for each site where a fertilizer, plant amendment, or soil amendment is distributed, to be imposed on persons licensed under sections 18C.415 and 18C.425;

(3) a \$50 surcharge to be imposed on a structural pest control applicator license application under section 18B.32, subdivision 6, for business license applications only;

(4) a \$20 surcharge to be imposed on commercial applicator license application fees under section 18B.33, subdivision 7; and

(5) a \$20 surcharge to be imposed on noncommercial applicator license application fees under section 18B.34, subdivision 5, except a surcharge may not be imposed on a noncommercial applicator that is a state agency, political subdivision of the state, the federal government, or an agency of the federal government.

(e) A \$1,000 fee shall be imposed on each site where pesticides are stored and sold for use outside of the state unless:

(1) the distributor properly documents that it has less than \$2,000,000 per year in wholesale value of pesticides stored and transferred through the site; or

(2) the registrant pays the surcharge under paragraph (b) and the registration fee under section 18B.26, subdivision 3, for all of the pesticides stored at the site and sold for use outside of the state.

(f) Paragraphs (c) to (e) apply to sales, licenses issued, applications received for licenses, and inspection fees imposed on or after July 1, 1990.

Sec. 12. Minnesota Statutes 2010, section 27.041, is amended by adding a subdivision to read:

Subd. 3. **Account; appropriation.** A wholesale produce dealers account is created in the agricultural fund. All fees, charges, and penalties collected under sections 27.01 to 27.069 and 27.11 to 27.19, including interest attributable to that money, must be deposited in the wholesale produce dealers account. Money in the account is appropriated to the commissioner for the purposes of sections 27.01 to 27.069 and 27.11 to 27.19.

Sec. 13. **[35.815] LIVESTOCK MORTALITIES.**

(a) Notwithstanding any other law, the executive director of the Board of Animal Health is responsible for the regulation and oversight of the disposal of livestock mortalities due to animal disease.

(b) Notwithstanding any other law, the executive director of the Board of Animal Health is responsible for the regulation and oversight of livestock mortality disposal due to nondisease causes to protect animal health and the environment. The board shall, in cases where the disposal may adversely affect ground or surface water, seek the input of the Pollution Control Agency.

Sec. 14. Minnesota Statutes 2010, section 38.01, is amended to read:

### **38.01 COUNTY AGRICULTURAL SOCIETIES; FORMATION, POWERS.**

(a) An agricultural society or association may be incorporated by citizens of any county, or two or more counties jointly, but only one agricultural society shall be organized in any county. An agricultural society may sue and be sued in its corporate name; may adopt bylaws, rules, and regulations, alter and amend the same; may purchase and hold, lease and control any real or personal property deemed to promote the objects of the society, and may rent, lease, sell, exchange, and convey the same. Any income from the rental or lease of the property may be used for any or all of the following purposes: (1) Acquisition of additional real property; (2) Construction of additional buildings; or (3) Maintenance and care of the society's property. This section shall not be construed to preclude the continuance of any agricultural society now existing or the granting of aid to the society.

(b) An agricultural society shall have jurisdiction and control of the grounds upon which its fairs are held and of the streets and adjacent grounds during the fair, so far as may be necessary for fair purposes, and are exempt from local zoning ordinances throughout the year as provided in section 38.16.

(c) The society may contract with the sheriff, local municipality, or security guard as defined in section 626.88 to provide the society with police service. A person providing police service pursuant to a contract is not, by reason of the contract, classified as an employee of the agricultural society for any purpose other than the discharge of powers and duties under the contract.

(d) Any person who shall willfully violate any rule or regulation made by agricultural societies during the days of a fair shall be guilty of a misdemeanor.

The provisions of this section supersede all special laws on the same subject.



Sec. 15. Minnesota Statutes 2010, section 373.01, subdivision 1, is amended to read:

Subdivision 1. **Public corporation; listed powers.** (a) Each county is a body politic and corporate and may:

- (1) Sue and be sued.
- (2) Acquire and hold real and personal property for the use of the county, and lands sold for taxes as provided by law.
- (3) Purchase and hold for the benefit of the county real estate sold by virtue of judicial proceedings, to which the county is a party.
- (4) Sell, lease, and convey real or personal estate owned by the county, and give contracts or options to sell, lease, or convey it, and make orders respecting it as deemed conducive to the interests of the county's inhabitants.
- (5) Make all contracts and do all other acts in relation to the property and concerns of the county necessary to the exercise of its corporate powers.

(b) No sale, lease, or conveyance of real estate owned by the county, except the lease of a residence acquired for the furtherance of an approved capital improvement project, nor any contract or option for it, shall be valid, without first advertising for bids or proposals in the official newspaper of the county for three consecutive weeks and once in a newspaper of general circulation in the area where the property is located. The notice shall state the time and place of considering the proposals, contain a legal description of any real estate, and a brief description of any personal property. Leases that do not exceed \$15,000 for any one year may be negotiated and are not subject to the competitive bid procedures of this section. All proposals estimated to exceed \$15,000 in any one year shall be considered at the time set for the bid opening, and the one most favorable to the county accepted, but the county board may, in the interest of the county, reject any or all proposals.

(c) Sales of personal property the value of which is estimated to be \$15,000 or more shall be made only after advertising for bids or proposals in the county's official newspaper, on the county's Web site, or in a recognized industry trade journal. At the same time it posts on its Web site or publishes in a trade journal, the county must publish in the official newspaper, either as part of the minutes of a regular meeting of the county board or in a separate notice, a summary of all requests for bids or proposals that the county advertises on its Web site or in a trade journal. After publication in the official newspaper, on the Web site, or in a trade journal, bids or proposals may be solicited and accepted by the electronic selling process authorized in section 471.345, subdivision 17. Sales of personal property the value of which is estimated to be less than \$15,000 may be made either on competitive bids or in the open market, in the discretion of the county board. "Web site" means a specific, addressable location provided on a server connected to the Internet and hosting World Wide Web pages and other files that are generally accessible on the Internet all or most of a day.

(d) Notwithstanding anything to the contrary herein, the county may, when acquiring real property for county highway right-of-way, exchange parcels of real property of substantially similar or equal value without advertising for bids. The estimated values for these parcels shall be determined by the county assessor.

(e) Notwithstanding anything in this section to the contrary, the county may, when acquiring real property for purposes other than county highway right-of-way, exchange parcels of real property of substantially similar or equal value without advertising for bids. The estimated values for these parcels must be determined by the county assessor or a private appraisal performed by a licensed Minnesota real estate appraiser. Before giving final approval to any exchange of land, the county board shall hold a public hearing on the exchange. At least two weeks before the hearing, the county auditor shall post a notice in the auditor's office and the official newspaper of the county of the hearing that contains a description of the lands affected.

~~(e)~~ (f) If real estate or personal property remains unsold after advertising for and consideration of bids or proposals the county may employ a broker to sell the property. The broker may sell the property for not less than 90 percent of its appraised market value as determined by the county. The broker's fee shall be set by agreement with the county but may not exceed ten percent of the sale price and must be paid from the proceeds of the sale.

~~(f)~~ (g) A county or its agent may rent a county-owned residence acquired for the furtherance of an approved capital improvement project subject to the conditions set by the county board and not subject to the conditions for lease otherwise provided by paragraph (a), clause (4), and paragraphs (b), (c), (d), ~~(e), and (g)~~ (f), and (h).

~~(g)~~ (h) In no case shall lands be disposed of without there being reserved to the county all iron ore and other valuable minerals in and upon the lands, with right to explore for, mine and remove the iron ore and other valuable minerals, nor shall the minerals and mineral rights be disposed of, either before or after disposition of the surface rights, otherwise than by mining lease, in similar general form to that provided by section 93.20 for mining leases affecting state lands. The lease shall be for a term not exceeding 50 years, and be issued on a royalty basis, the royalty to be not less than 25 cents per ton of 2,240 pounds, and fix a minimum amount of royalty payable during each year, whether mineral is removed or not. Prospecting options for mining leases may be granted for periods not exceeding one year. The options shall require, among other things, periodical showings to the county board of the results of exploration work done.

~~(h)~~ (i) Notwithstanding anything in this subdivision to the contrary, the county may, when selling real property owned in fee simple that cannot be improved because of noncompliance with local ordinances regarding minimum area, shape, frontage, or access, proceed to sell the nonconforming parcel without advertising for bid. At the county's discretion, the real property may be restricted to sale to adjoining landowners or may be sold to any other interested party. The property shall be sold to the highest bidder, but in no case shall the property be sold for less than 90 percent of its fair market value as determined by the county assessor. All owners of land adjoining the land to be sold shall be given a written notice at least 30 days before the sale. This paragraph shall be liberally construed to encourage the sale of nonconforming real property and promote its return to the tax roles.

Sec. 16. **REPEALER.**

Minnesota Statutes 2010, section 41A.09, subdivisions 1a, 2a, 3a, 4, and 10, are repealed.

**EFFECTIVE DATE.** This section is effective June 30, 2013."

Delete the title and insert:

"A bill for an act relating to agriculture; appropriating money for agriculture, the Board of Animal Health, and the Agricultural Utilization Research Institute; changing certain agriculture-related provisions, requirements, and programs; amending Minnesota Statutes 2010, sections 17.135; 18B.03, subdivision 1; 18C.005, by adding a subdivision; 18C.111, by adding a subdivision; 18D.201, by adding a subdivision; 18E.03, subdivision 4; 27.041, by adding a subdivision; 38.01; 373.01, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 35; repealing Minnesota Statutes 2010, section 41A.09, subdivisions 1a, 2a, 3a, 4, 10."

We request the adoption of this report and repassage of the bill.

Senate Conferees: DOUG MAGNUS, GARY W. KUBLY, GARY H. DAHMS, SEAN NIENOW and JEREMY R. MILLER.

House Conferees: ROD HAMILTON, PAUL ANDERSON, RON SHIMANSKI, MIKE LEMIEUR and KENT EKEN.

Hamilton moved that the report of the Conference Committee on S. F. No. 1016 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1016, A bill for an act relating to state government; appropriating money for agriculture, the Board of Animal Health, and the Agricultural Utilization Research Institute; modifying certain fees; modifying certain restrictions on farm disposal; clarifying the authority of certain entities; amending Minnesota Statutes 2010, sections 17.135; 18B.03, subdivision 1; 18C.005, by adding a subdivision; 18C.111, by adding a subdivision; 18C.131; 18C.425, by adding a subdivision; 18D.201, subdivision 5, by adding a subdivision; 18E.03, subdivision 4; 27.041, by adding a subdivision; 38.01; 373.01, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 115A.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 107 yeas and 20 nays as follows:

Those who voted in the affirmative were:

Abeler	Daudt	Gruenhagen	Knuth	Moran	Schomacker
Anderson, B.	Davids	Gunther	Koenen	Morrow	Scott
Anderson, D.	Dean	Hackbarth	Kriesel	Murdock	Shimanski
Anderson, P.	Dettmer	Hamilton	Lanning	Murphy, E.	Simon
Anderson, S.	Dill	Hancock	Leidiger	Murphy, M.	Slawik
Anzelc	Doepke	Hilstrom	LeMieur	Murray	Smith
Atkins	Downey	Hilty	Lillie	Myhra	Stensrud
Banaian	Drazkowski	Holberg	Lohmer	Nelson	Swedzinski
Barrett	Eken	Hoppe	Loon	Nornes	Torkelson
Beard	Erickson	Hortman	Mack	O'Driscoll	Urdahl
Benson, M.	Fabian	Hosch	Mahoney	Pelowski	Vogel
Bills	Falk	Howes	Marquart	Peppin	Ward
Brynaert	Franson	Huntley	Mazorol	Persell	Wardlow
Buesgens	Fritz	Kahn	McDonald	Petersen, B.	Westrom
Carlson	Garofalo	Kath	McElfatrick	Poppe	Winkler
Clark	Gauthier	Kieffer	McFarlane	Quam	Woodard
Cornish	Gottwalt	Kiel	McNamara	Runbeck	Spk. Zellers
Crawford	Greene	Kiffmeyer	Melin	Sanders	

Those who voted in the negative were:

Benson, J.	Greiling	Hornstein	Liebling	Norton
Champion	Hansen	Johnson	Loeffler	Paymar
Davnie	Hausman	Lenczewski	Mariani	Slocum
Dittrich	Hayden	Lesch	Mullery	Wagenius

The bill was repassed, as amended by Conference, and its title agreed to.

Mr. Speaker:

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

S. F. Nos. 67, 548, 882 and 86.

CAL R. LUDEMAN, Secretary of the Senate

**FIRST READING OF SENATE BILLS**

S. F. No. 67, A bill for an act relating to transportation; authorizing annual special permits for transporting waterfront structures on trunk highways; amending Minnesota Statutes 2010, section 169.86, subdivision 5.

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

S. F. No. 548, A bill for an act relating to energy; authorizing the Public Utilities Commission to approve a multiyear rate plan for certain utilities; providing for cost recovery for certain pollution control products; amending Minnesota Statutes 2010, section 216B.16, subdivision 7, by adding a subdivision.

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

S. F. No. 882, A bill for an act relating to crime; clarifying targeted misdemeanors to include no contact order misdemeanor violations for the purpose of requiring fingerprinting; amending Minnesota Statutes 2010, section 299C.10, subdivision 1.

The bill was read for the first time.

Leidiger moved that S. F. No. 882 and H. F. No. 921, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 86, A bill for an act relating to energy; removing ban on increased carbon dioxide emissions by utilities; amending Minnesota Statutes 2010, section 216H.02, subdivision 4; repealing Minnesota Statutes 2010, section 216H.03.

The bill was read for the first time.

Beard moved that S. F. No. 86 and H. F. No. 72, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

**REPORT FROM THE COMMITTEE ON RULES  
AND LEGISLATIVE ADMINISTRATION**

Dean from the Committee on Rules and Legislative Administration, pursuant to rule 1.21, designated the following bills to be placed on the Calendar for the Day for Thursday, April 14, 2011:

H. F. No. 8; S. F. No. 551; H. F. No. 895; S. F. No. 191 and H. F. Nos. 66, 186 and 1092.

**CALENDAR FOR THE DAY**

S. F. No. 551, A bill for an act relating to liquor; authorizing cities to issue license for sales at a stadium or ballpark for the purposes of summer collegiate league baseball games; amending Minnesota Statutes 2010, section 340A.404, subdivision 1.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 121 yeas and 5 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean	Hamilton	Kriesel	Morrow	Shimanski
Anderson, D.	Dettmer	Hancock	Lanning	Murdock	Simon
Anderson, P.	Dill	Hansen	Leidiger	Murphy, E.	Slawik
Anderson, S.	Dittrich	Hausman	LeMieur	Murphy, M.	Slocum
Anzelc	Doepke	Hayden	Lenczewski	Murray	Smith
Atkins	Downey	Hilstrom	Lesch	Myhra	Stensrud
Banaian	Drazkowski	Hilty	Liebling	Nelson	Swedzinski
Barrett	Eken	Hoppe	Lillie	Nornes	Torkelson
Beard	Erickson	Hornstein	Loeffler	Norton	Urdahl
Benson, J.	Fabian	Hortman	Lohmer	O'Driscoll	Vogel
Benson, M.	Falk	Hosch	Loon	Paymar	Ward
Bills	Franson	Howes	Mack	Pelowski	Wardlow
Brynaert	Fritz	Huntley	Mahoney	Peppin	Westrom
Buesgens	Garofalo	Johnson	Mariani	Persell	Winkler
Carlson	Gauthier	Kahn	Marquart	Petersen, B.	Woodard
Champion	Gottwalt	Kath	Mazorol	Peterson, S.	Spk. Zellers
Cornish	Greene	Kieffer	McDonald	Poppe	
Crawford	Greiling	Kiel	McFarlane	Quam	
Daudt	Gruenhagen	Kiffmeyer	McNamara	Runbeck	
Davids	Gunther	Knuth	Melin	Sanders	
Davnie	Hackbarth	Koenen	Moran	Schomacker	

Those who voted in the negative were:

Anderson, B.	Holberg	McElfatrick	Scott	Wagenius
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The bill was passed and its title agreed to.

S. F. No. 626 was reported to the House.

Schomacker moved to amend S. F. No. 626, the second engrossment, as follows:

Delete everything after the enacting clause and insert the following language of H. F. No. 937, the first engrossment:

"ARTICLE 1  
NURSING FACILITIES

Section 1. Minnesota Statutes 2010, section 12A.10, is amended by adding a subdivision to read:

Subd. 4. **Nursing home bed layaway.** Notwithstanding section 144A.071, subdivision 4b, the commissioner of health may approve the placement on and removal from layaway status of nursing home beds at any time when a partial or complete evacuation of a nursing home occurs in response to a natural disaster, a possible natural disaster, or another event that threatens the health and safety of residents of a nursing home.

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

Sec. 2. Minnesota Statutes 2010, section 144A.071, subdivision 3, is amended to read:

Subd. 3. **Exceptions authorizing increase in beds; hardship areas.** ~~(a) The commissioner of health, in coordination with the commissioner of human services, may approve the addition of a new certified bed or the addition of a new licensed and Medicare and Medicaid certified nursing home bed beds, under using the following conditions: criteria and process set forth in this subdivision.~~

~~(a) to license or certify a new bed in place of one decertified after July 1, 1993, as long as the number of certified plus newly certified or recertified beds does not exceed the number of beds licensed or certified on July 1, 1993, or to address an extreme hardship situation, in a particular county that, together with all contiguous Minnesota counties, has fewer nursing home beds per 1,000 elderly than the number that is ten percent higher than the national average of nursing home beds per 1,000 elderly individuals. For the purposes of this section, the national average of nursing home beds shall be the most recent figure that can be supplied by the federal Centers for Medicare and Medicaid Services and the number of elderly in the county or the nation shall be determined by the most recent federal census or the most recent estimate of the state demographer as of July 1, of each year of persons age 65 and older, whichever is the most recent at the time of the request for replacement. An extreme hardship situation can only be found after the county documents the existence of unmet medical needs that cannot be addressed by any other alternatives;~~

~~(b) The commissioner, in cooperation with the commissioner of human services, shall consider the following criteria when determining that an area of the state is a hardship area with regard to access to nursing facility services:~~

~~(1) a low number of beds per thousand in a specified area using as a standard an amount lower than the beds per thousand of the county at the 20th percentile, as determined by the commissioner of human services;~~

~~(2) a high level of out-migration associated with a described area from the county or counties of residence to other Minnesota counties, as determined by the commissioner of human services, using as a standard an amount greater than the out-migration of the county ranked at the 50th percentile;~~

~~(3) an adequate level of availability of noninstitutional services as determined by the commissioner of human services using as a standard an amount greater than the 50th percentile of counties;~~

~~(4) there must be a declaration of hardship by local county agencies and area agencies on aging; and~~

~~(5) other factors that may demonstrate the need to add new nursing facility beds.~~

~~(c) On August 15 of odd-numbered years, the commissioner, in cooperation with the commissioner of human services, may publish in the State Register a request for information in which interested parties, using the data provided under section 144A.351, along with any other relevant data, demonstrate that a specified area is a hardship area with regard to access to nursing facility services. For a response to be considered, the commissioner must receive it by November 15. The commissioner shall make responses to the request for information available to the public and shall allow 30 days for comment. The commissioner shall review responses and comments and determine if any areas of the state are to be declared hardship areas.~~

~~(d) For each designated hardship area determined in paragraph (c), the commissioner shall publish a request for proposals in accordance with section 144A.073 and Minnesota Rules, parts 4655.1070 to 4655.1098. The request for proposals must be published in the State Register by March 15 following receipt of responses to the request for information. The request for proposals must specify the number of new beds which may be added in the designated hardship area, which must not exceed the number which, if added to the existing number of beds in the area, including beds in layaway status, would have prevented it from being determined to be a hardship area under~~

paragraph (b), clause (1). Beginning July 1, 2011, the number of new beds approved must not exceed 200 beds statewide per biennium. After June 30, 2019, the number of new beds that may be approved in a biennium must not exceed 300 statewide. For a proposal to be considered, the commissioner must receive it within six months of the publication of the request for proposals. The commissioner shall review responses to the request for proposals and shall approve or disapprove each proposal by the following July 15, in accordance with section 144A.073 and Minnesota Rules, parts 4655.1070 to 4655.1098. The commissioner shall base approvals or disapprovals on a comparison and ranking of proposals using only the criteria in subdivision 4a. Approval of a proposal expires after 18 months unless the facility has added the new beds using existing space, subject to approval by the commissioner, or has commenced construction as defined in section 144A.071, subdivision 1a, paragraph (d). Operating payment rates shall be determined according to Minnesota Rules, part 9549.0057, using the limits under section 256B.441. External fixed payment rates must be determined according to section 256B.441, subdivision 53. Property payment rates for facilities with beds added under this subdivision must be determined in the same manner as rate determinations resulting from projects approved and completed under section 144A.073.

~~(b) to~~ (e) The commissioner may:

(1) certify or license new beds in a new facility that is to be operated by the commissioner of veterans affairs or when the costs of constructing and operating the new beds are to be reimbursed by the commissioner of veterans affairs or the United States Veterans Administration; and

~~(e) to~~ (2) license or certify beds in a facility that has been involuntarily delicensed or decertified for participation in the medical assistance program, provided that an application for relicensure or recertification is submitted to the commissioner by an organization that is not a related organization as defined in section 256B.441, subdivision 34, to the prior licensee within 120 days after delicensure or decertification;

~~(d) to certify two existing beds in a facility with 66 licensed beds on January 1, 1994, that had an average occupancy rate of 98 percent or higher in both calendar years 1992 and 1993, and which began construction of four attached assisted living units in April 1993; or~~

~~(e) to certify four existing beds in a facility in Winona with 139 beds, of which 129 beds are certified.~~

Sec. 3. Minnesota Statutes 2010, section 144A.073, subdivision 3c, is amended to read:

Subd. 3c. **Cost neutral relocation projects.** (a) Notwithstanding subdivision 3, the commissioner may at any time accept proposals, or amendments to proposals previously approved under this section, for relocations that are cost neutral with respect to state costs as defined in section 144A.071, subdivision 5a. The commissioner, in consultation with the commissioner of human services, shall evaluate proposals according to subdivision 4 4a, clauses (1), ~~(2), (3), and (9)~~ (4), (5), (6), and (8), and other criteria established in rule ~~or law~~. The commissioner of human services shall determine the allowable payment rates of the facility receiving the beds in accordance with section 256B.441, subdivision 60. The commissioner shall approve or disapprove a project within 90 days. Proposals and amendments approved under this subdivision are not subject to the six mile limit in subdivision 5, paragraph (e).

(b) For the purposes of paragraph (a), cost neutrality shall be measured over the first three 12-month periods of operation after completion of the project.

Sec. 4. Minnesota Statutes 2010, section 144A.073, is amended by adding a subdivision to read:

Subd. 4a. **Criteria for review.** In reviewing the application materials and submitted costs by an applicant to the moratorium process, the review panel shall consider the following criteria in recommending proposals:

(1) the extent to which the proposed nursing home project is integrated with other health and long-term care services for older adults;

(2) the extent to which the project provides for the complete replacement of an outdated physical plant;

(3) the extent to which the project results in a reduction of nursing facility beds in an area that has a relatively high number of beds per thousand occupied by persons age 85 and over;

(4) the extent to which the project produces improvements in health; safety, including life safety code corrections; quality of life; and privacy of residents;

(5) the extent to which, under the current facility ownership and management, the provider has shown the ability to provide good quality of care based on health-related findings on certification surveys, quality indicator scores, and quality-of-life scores, including those from the Minnesota nursing home report card;

(6) the extent to which the project integrates the latest technology and design features in a way that improves the resident experience and improves the working environment for employees;

(7) the extent to which the sustainability of the nursing facility can be demonstrated based on the need for services in the area and the proposed financing of the project; and

(8) the extent to which the project provides or maintains access to nursing facility services needed in the community.

Sec. 5. Minnesota Statutes 2010, section 256B.441, is amended by adding a subdivision to read:

**Subd. 60. Method for determining budget-neutral nursing facility rates for relocated beds.** (a) Nursing facility rates for bed relocations must be calculated by comparing the estimated medical assistance costs prior to and after the proposed bed relocation using the calculations in this subdivision. All payment rates are based on a 1.0 case mix level, with other case mix rates determined accordingly. Nursing facility beds on layaway status that are being moved must be included in the calculation for both the originating and receiving facility and treated as though they were in active status with the occupancy characteristics of the active beds of the originating facility.

(b) Medical assistance costs of the beds in the originating nursing facilities must be calculated as follows:

(1) multiply each originating facility's total payment rate for a RUGS weight of 1.0 by the facility's percentage of medical assistance days on its most recent available cost report;

(2) take the products in clause (1) and multiply by each facility's average case mix score for medical assistance residents on its most recent available cost report;

(3) take the products in clause (2) and multiply by the number of beds being relocated, times 365; and

(4) calculate the sum of the amounts determined in clause (3).

(c) Medical assistance costs in the receiving facility, prior to the bed relocation, must be calculated as follows:

(1) multiply the facility's total payment rate for a RUGS weight of 1.0 by the medical assistance days on the most recent cost report; and

(2) multiply the product in clause (1) by the average case mix weight of medical assistance residents on the most recent cost report.



(d) The commissioner shall determine the medical assistance costs prior to the bed relocation which must be the sum of the amounts determined in paragraphs (b) and (c).

(e) The commissioner shall estimate the medical assistance costs after the bed relocation as follows:

(1) estimate the medical assistance days in the receiving facility after the bed relocation. The commissioner may use the current medical assistance portion, or if data does not exist, may use the statewide average, or may use the provider's estimate of the medical assistance utilization of the relocated beds;

(2) estimate the average case mix weight of medical assistance residents in the receiving facility after the bed relocation. The commissioner may use current average case mix weight or, if data does not exist, may use the statewide average, or may use the provider's estimate of the average case mix weight; and

(3) multiply the amount determined in clause (1) by the amount determined in clause (2) by the total payment rate for a RUGS weight of 1.0 that is the highest rate of the facilities from which the relocated beds either originate or to which they are being relocated so long as that rate is associated with ten percent or more of the total number of beds to be in the receiving facility after the bed relocation.

(f) If the amount determined in paragraph (e) is less than or equal to the amount determined in paragraph (d), the commissioner shall allow a total payment rate equal to the amount used in paragraph (e), clause (3).

(g) If the amount determined in paragraph (e) is greater than the amount determined in paragraph (d), the commissioner shall allow a rate with a RUGS weight of 1.0 that when used in paragraph (e), clause (3), results in the amount determined in paragraph (e) being equal to the amount determined in paragraph (d).

(h) If the commissioner relies upon provider estimates in paragraph (e), clause (1) or (2), then annually, for three years after the rates determined in this subdivision take effect, the commissioner shall determine the accuracy of the alternative factors of medical assistance case load and RUGS weight used in this subdivision and shall reduce the total payment rate for a RUGS weight of 1.0 if the factors used result in medical assistance costs exceeding the amount in paragraph (d). If the actual medical assistance costs exceed the estimates by more than five percent, the commissioner shall also recover the difference between the estimated costs in paragraph (e) and the actual costs according to section 256B.0641. The commissioner may require submission of data from the receiving facility needed to implement this paragraph.

Sec. 6. **REPEALER.**

Minnesota Statutes 2010, section 144A.073, subdivisions 4 and 5, are repealed.

## ARTICLE 2 CONFORMING CHANGES

Section 1. Minnesota Statutes 2010, section 144A.071, subdivision 4a, is amended to read:

Subd. 4a. **Exceptions for replacement beds.** It is in the best interest of the state to ensure that nursing homes and boarding care homes continue to meet the physical plant licensing and certification requirements by permitting certain construction projects. Facilities should be maintained in condition to satisfy the physical and emotional needs of residents while allowing the state to maintain control over nursing home expenditure growth.

The commissioner of health in coordination with the commissioner of human services, may approve the renovation, replacement, upgrading, or relocation of a nursing home or boarding care home, under the following conditions:

(a) to license or certify beds in a new facility constructed to replace a facility or to make repairs in an existing facility that was destroyed or damaged after June 30, 1987, by fire, lightning, or other hazard provided:

(i) destruction was not caused by the intentional act of or at the direction of a controlling person of the facility;

(ii) at the time the facility was destroyed or damaged the controlling persons of the facility maintained insurance coverage for the type of hazard that occurred in an amount that a reasonable person would conclude was adequate;

(iii) the net proceeds from an insurance settlement for the damages caused by the hazard are applied to the cost of the new facility or repairs;

(iv) the new facility is constructed on the same site as the destroyed facility ~~or on another site subject to the restrictions in section 144A.073, subdivision 5;~~

(v) the number of licensed and certified beds in the new facility does not exceed the number of licensed and certified beds in the destroyed facility; and

(vi) the commissioner determines that the replacement beds are needed to prevent an inadequate supply of beds.

Project construction costs incurred for repairs authorized under this clause shall not be considered in the dollar threshold amount defined in subdivision 2;

(b) to license or certify beds that are moved from one location to another within a nursing home facility, provided the total costs of remodeling performed in conjunction with the relocation of beds does not exceed \$1,000,000;

(c) to license or certify beds in a project recommended for approval under section 144A.073;

(d) to license or certify beds that are moved from an existing state nursing home to a different state facility, provided there is no net increase in the number of state nursing home beds;

(e) to certify and license as nursing home beds boarding care beds in a certified boarding care facility if the beds meet the standards for nursing home licensure, or in a facility that was granted an exception to the moratorium under section 144A.073, and if the cost of any remodeling of the facility does not exceed \$1,000,000. If boarding care beds are licensed as nursing home beds, the number of boarding care beds in the facility must not increase beyond the number remaining at the time of the upgrade in licensure. The provisions contained in section 144A.073 regarding the upgrading of the facilities do not apply to facilities that satisfy these requirements;

(f) to license and certify up to 40 beds transferred from an existing facility owned and operated by the Amherst H. Wilder Foundation in the city of St. Paul to a new unit at the same location as the existing facility that will serve persons with Alzheimer's disease and other related disorders. The transfer of beds may occur gradually or in stages, provided the total number of beds transferred does not exceed 40. At the time of licensure and certification of a bed or beds in the new unit, the commissioner of health shall delicense and decertify the same number of beds in the existing facility. As a condition of receiving a license or certification under this clause, the facility must make a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate as a result of the transfers allowed under this paragraph;

(g) to license and certify nursing home beds to replace currently licensed and certified boarding care beds which may be located either in a remodeled or renovated boarding care or nursing home facility or in a remodeled, renovated, newly constructed, or replacement nursing home facility within the identifiable complex of health care facilities in which the currently licensed boarding care beds are presently located, provided that the number of

boarding care beds in the facility or complex are decreased by the number to be licensed as nursing home beds and further provided that, if the total costs of new construction, replacement, remodeling, or renovation exceed ten percent of the appraised value of the facility or \$200,000, whichever is less, the facility makes a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate by reason of the new construction, replacement, remodeling, or renovation. The provisions contained in section 144A.073 regarding the upgrading of facilities do not apply to facilities that satisfy these requirements;

(h) to license as a nursing home and certify as a nursing facility a facility that is licensed as a boarding care facility but not certified under the medical assistance program, but only if the commissioner of human services certifies to the commissioner of health that licensing the facility as a nursing home and certifying the facility as a nursing facility will result in a net annual savings to the state general fund of \$200,000 or more;

(i) to certify, after September 30, 1992, and prior to July 1, 1993, existing nursing home beds in a facility that was licensed and in operation prior to January 1, 1992;

(j) to license and certify new nursing home beds to replace beds in a facility acquired by the Minneapolis Community Development Agency as part of redevelopment activities in a city of the first class, provided the new facility is located within three miles of the site of the old facility. Operating and property costs for the new facility must be determined and allowed under section 256B.431 or 256B.434;

(k) to license and certify up to 20 new nursing home beds in a community-operated hospital and attached convalescent and nursing care facility with 40 beds on April 21, 1991, that suspended operation of the hospital in April 1986. The commissioner of human services shall provide the facility with the same per diem property-related payment rate for each additional licensed and certified bed as it will receive for its existing 40 beds;

(l) to license or certify beds in renovation, replacement, or upgrading projects as defined in section 144A.073, subdivision 1, so long as the cumulative total costs of the facility's remodeling projects do not exceed \$1,000,000;

(m) to license and certify beds that are moved from one location to another for the purposes of converting up to five four-bed wards to single or double occupancy rooms in a nursing home that, as of January 1, 1993, was county-owned and had a licensed capacity of 115 beds;

(n) to allow a facility that on April 16, 1993, was a 106-bed licensed and certified nursing facility located in Minneapolis to layaway all of its licensed and certified nursing home beds. These beds may be relicensed and recertified in a newly constructed teaching nursing home facility affiliated with a teaching hospital upon approval by the legislature. The proposal must be developed in consultation with the interagency committee on long-term care planning. The beds on layaway status shall have the same status as voluntarily delicensed and decertified beds, except that beds on layaway status remain subject to the surcharge in section 256.9657. This layaway provision expires July 1, 1998;

(o) to allow a project which will be completed in conjunction with an approved moratorium exception project for a nursing home in southern Cass County and which is directly related to that portion of the facility that must be repaired, renovated, or replaced, to correct an emergency plumbing problem for which a state correction order has been issued and which must be corrected by August 31, 1993;

(p) to allow a facility that on April 16, 1993, was a 368-bed licensed and certified nursing facility located in Minneapolis to layaway, upon 30 days prior written notice to the commissioner, up to 30 of the facility's licensed and certified beds by converting three-bed wards to single or double occupancy. Beds on layaway status shall have the same status as voluntarily delicensed and decertified beds except that beds on layaway status remain subject to the surcharge in section 256.9657, remain subject to the license application and renewal fees under section 144A.07 and shall be subject to a \$100 per bed reactivation fee. In addition, at any time within three years of the effective date of the layaway, the beds on layaway status may be:

(1) relicensed and recertified upon relocation and reactivation of some or all of the beds to an existing licensed and certified facility or facilities located in Pine River, Brainerd, or International Falls; provided that the total project construction costs related to the relocation of beds from layaway status for any facility receiving relocated beds may not exceed the dollar threshold provided in subdivision 2 unless the construction project has been approved through the moratorium exception process under section 144A.073;

(2) relicensed and recertified, upon reactivation of some or all of the beds within the facility which placed the beds in layaway status, if the commissioner has determined a need for the reactivation of the beds on layaway status.

The property-related payment rate of a facility placing beds on layaway status must be adjusted by the incremental change in its rental per diem after recalculating the rental per diem as provided in section 256B.431, subdivision 3a, paragraph (c). The property-related payment rate for a facility relicensing and recertifying beds from layaway status must be adjusted by the incremental change in its rental per diem after recalculating its rental per diem using the number of beds after the relicensing to establish the facility's capacity day divisor, which shall be effective the first day of the month following the month in which the relicensing and recertification became effective. Any beds remaining on layaway status more than three years after the date the layaway status became effective must be removed from layaway status and immediately delicensed and decertified;

(q) to license and certify beds in a renovation and remodeling project to convert 12 four-bed wards into 24 two-bed rooms, expand space, and add improvements in a nursing home that, as of January 1, 1994, met the following conditions: the nursing home was located in Ramsey County; had a licensed capacity of 154 beds; and had been ranked among the top 15 applicants by the 1993 moratorium exceptions advisory review panel. The total project construction cost estimate for this project must not exceed the cost estimate submitted in connection with the 1993 moratorium exception process;

(r) to license and certify up to 117 beds that are relocated from a licensed and certified 138-bed nursing facility located in St. Paul to a hospital with 130 licensed hospital beds located in South St. Paul, provided that the nursing facility and hospital are owned by the same or a related organization and that prior to the date the relocation is completed the hospital ceases operation of its inpatient hospital services at that hospital. After relocation, the nursing facility's status under section 256B.431, subdivision 2j, shall be the same as it was prior to relocation. The nursing facility's property-related payment rate resulting from the project authorized in this paragraph shall become effective no earlier than April 1, 1996. For purposes of calculating the incremental change in the facility's rental per diem resulting from this project, the allowable appraised value of the nursing facility portion of the existing health care facility physical plant prior to the renovation and relocation may not exceed \$2,490,000;

(s) to license and certify two beds in a facility to replace beds that were voluntarily delicensed and decertified on June 28, 1991;

(t) to allow 16 licensed and certified beds located on July 1, 1994, in a 142-bed nursing home and 21-bed boarding care home facility in Minneapolis, notwithstanding the licensure and certification after July 1, 1995, of the Minneapolis facility as a 147-bed nursing home facility after completion of a construction project approved in 1993 under section 144A.073, to be laid away upon 30 days' prior written notice to the commissioner. Beds on layaway status shall have the same status as voluntarily delicensed or decertified beds except that they shall remain subject to the surcharge in section 256.9657. The 16 beds on layaway status may be relicensed as nursing home beds and recertified at any time within five years of the effective date of the layaway upon relocation of some or all of the beds to a licensed and certified facility located in Watertown, provided that the total project construction costs related to the relocation of beds from layaway status for the Watertown facility may not exceed the dollar threshold provided in subdivision 2 unless the construction project has been approved through the moratorium exception process under section 144A.073.

The property-related payment rate of the facility placing beds on layaway status must be adjusted by the incremental change in its rental per diem after recalculating the rental per diem as provided in section 256B.431, subdivision 3a, paragraph (c). The property-related payment rate for the facility relicensing and recertifying beds from layaway status must be adjusted by the incremental change in its rental per diem after recalculating its rental per diem using the number of beds after the relicensing to establish the facility's capacity day divisor, which shall be effective the first day of the month following the month in which the relicensing and recertification became effective. Any beds remaining on layaway status more than five years after the date the layaway status became effective must be removed from layaway status and immediately delicensed and decertified;

(u) to license and certify beds that are moved within an existing area of a facility or to a newly constructed addition which is built for the purpose of eliminating three- and four-bed rooms and adding space for dining, lounge areas, bathing rooms, and ancillary service areas in a nursing home that, as of January 1, 1995, was located in Fridley and had a licensed capacity of 129 beds;

(v) to relocate 36 beds in Crow Wing County and four beds from Hennepin County to a 160-bed facility in Crow Wing County, provided all the affected beds are under common ownership;

(w) to license and certify a total replacement project of up to 49 beds located in Norman County that are relocated from a nursing home destroyed by flood and whose residents were relocated to other nursing homes. The operating cost payment rates for the new nursing facility shall be determined based on the interim and settle-up payment provisions of Minnesota Rules, part 9549.0057, and the reimbursement provisions of section 256B.431, except that subdivision 26, paragraphs (a) and (b), shall not apply until the second rate year after the settle-up cost report is filed. Property-related reimbursement rates shall be determined under section 256B.431, taking into account any federal or state flood-related loans or grants provided to the facility;

(x) to license and certify a total replacement project of up to 129 beds located in Polk County that are relocated from a nursing home destroyed by flood and whose residents were relocated to other nursing homes. The operating cost payment rates for the new nursing facility shall be determined based on the interim and settle-up payment provisions of Minnesota Rules, part 9549.0057, and the reimbursement provisions of section 256B.431, except that subdivision 26, paragraphs (a) and (b), shall not apply until the second rate year after the settle-up cost report is filed. Property-related reimbursement rates shall be determined under section 256B.431, taking into account any federal or state flood-related loans or grants provided to the facility;

(y) to license and certify beds in a renovation and remodeling project to convert 13 three-bed wards into 13 two-bed rooms and 13 single-bed rooms, expand space, and add improvements in a nursing home that, as of January 1, 1994, met the following conditions: the nursing home was located in Ramsey County, was not owned by a hospital corporation, had a licensed capacity of 64 beds, and had been ranked among the top 15 applicants by the 1993 moratorium exceptions advisory review panel. The total project construction cost estimate for this project must not exceed the cost estimate submitted in connection with the 1993 moratorium exception process;

(z) to license and certify up to 150 nursing home beds to replace an existing 285 bed nursing facility located in St. Paul. The replacement project shall include both the renovation of existing buildings and the construction of new facilities at the existing site. The reduction in the licensed capacity of the existing facility shall occur during the construction project as beds are taken out of service due to the construction process. Prior to the start of the construction process, the facility shall provide written information to the commissioner of health describing the process for bed reduction, plans for the relocation of residents, and the estimated construction schedule. The relocation of residents shall be in accordance with the provisions of law and rule;

(aa) to allow the commissioner of human services to license an additional 36 beds to provide residential services for the physically disabled under Minnesota Rules, parts 9570.2000 to 9570.3400, in a 198-bed nursing home located in Red Wing, provided that the total number of licensed and certified beds at the facility does not increase;

(bb) to license and certify a new facility in St. Louis County with 44 beds constructed to replace an existing facility in St. Louis County with 31 beds, which has resident rooms on two separate floors and an antiquated elevator that creates safety concerns for residents and prevents nonambulatory residents from residing on the second floor. The project shall include the elimination of three- and four-bed rooms;

(cc) to license and certify four beds in a 16-bed certified boarding care home in Minneapolis to replace beds that were voluntarily delicensed and decertified on or before March 31, 1992. The licensure and certification is conditional upon the facility periodically assessing and adjusting its resident mix and other factors which may contribute to a potential institution for mental disease declaration. The commissioner of human services shall retain the authority to audit the facility at any time and shall require the facility to comply with any requirements necessary to prevent an institution for mental disease declaration, including delicensure and decertification of beds, if necessary;

(dd) to license and certify 72 beds in an existing facility in Mille Lacs County with 80 beds as part of a renovation project. The renovation must include construction of an addition to accommodate ten residents with beginning and midstage dementia in a self-contained living unit; creation of three resident households where dining, activities, and support spaces are located near resident living quarters; designation of four beds for rehabilitation in a self-contained area; designation of 30 private rooms; and other improvements;

(ee) to license and certify beds in a facility that has undergone replacement or remodeling as part of a planned closure under section 256B.437;

(ff) to license and certify a total replacement project of up to 124 beds located in Wilkin County that are in need of relocation from a nursing home significantly damaged by flood. The operating cost payment rates for the new nursing facility shall be determined based on the interim and settle-up payment provisions of Minnesota Rules, part 9549.0057, and the reimbursement provisions of section 256B.431, except that section 256B.431, subdivision 26, paragraphs (a) and (b), shall not apply until the second rate year after the settle-up cost report is filed. Property-related reimbursement rates shall be determined under section 256B.431, taking into account any federal or state flood-related loans or grants provided to the facility;

(gg) to allow the commissioner of human services to license an additional nine beds to provide residential services for the physically disabled under Minnesota Rules, parts 9570.2000 to 9570.3400, in a 240-bed nursing home located in Duluth, provided that the total number of licensed and certified beds at the facility does not increase;

(hh) to license and certify up to 120 new nursing facility beds to replace beds in a facility in Anoka County, which was licensed for 98 beds as of July 1, 2000, provided the new facility is located within four miles of the existing facility and is in Anoka County. Operating and property rates shall be determined and allowed under section 256B.431 and Minnesota Rules, parts 9549.0010 to 9549.0080, or section 256B.434 or 256B.435. The provisions of section 256B.431, subdivision 26, paragraphs (a) and (b), do not apply until the second rate year following settle-up; or

(ii) to transfer up to 98 beds of a 129-licensed bed facility located in Anoka County that, as of March 25, 2001, is in the active process of closing, to a 122-licensed bed nonprofit nursing facility located in the city of Columbia Heights or its affiliate. The transfer is effective when the receiving facility notifies the commissioner in writing of the number of beds accepted. The commissioner shall place all transferred beds on layaway status held in the name of the receiving facility. The layaway adjustment provisions of section 256B.431, subdivision 30, do not apply to this layaway. The receiving facility may only remove the beds from layaway for recertification and relicensure at the receiving facility's current site, or at a newly constructed facility located in Anoka County. The receiving facility must receive statutory authorization before removing these beds from layaway status, or may remove these beds from layaway status if removal from layaway status is part of a moratorium exception project approved by the commissioner under section 144A.073.

Sec. 2. Minnesota Statutes 2010, section 256B.431, subdivision 26, is amended to read:

Subd. 26. **Changes to nursing facility reimbursement beginning July 1, 1997.** The nursing facility reimbursement changes in paragraphs (a) to (e) shall apply in the sequence specified in Minnesota Rules, parts 9549.0010 to 9549.0080, and this section, beginning July 1, 1997.

(a) For rate years beginning on or after July 1, 1997, the commissioner shall limit a nursing facility's allowable operating per diem for each case mix category for each rate year. The commissioner shall group nursing facilities into two groups, freestanding and nonfreestanding, within each geographic group, using their operating cost per diem for the case mix A classification. A nonfreestanding nursing facility is a nursing facility whose other operating cost per diem is subject to the hospital attached, short length of stay, or the rule 80 limits. All other nursing facilities shall be considered freestanding nursing facilities. The commissioner shall then array all nursing facilities in each grouping by their allowable case mix A operating cost per diem. In calculating a nursing facility's operating cost per diem for this purpose, the commissioner shall exclude the raw food cost per diem related to providing special diets that are based on religious beliefs, as determined in subdivision 2b, paragraph (h). For those nursing facilities in each grouping whose case mix A operating cost per diem:

(1) is at or below the median of the array, the commissioner shall limit the nursing facility's allowable operating cost per diem for each case mix category to the lesser of the prior reporting year's allowable operating cost per diem as specified in Laws 1996, chapter 451, article 3, section 11, paragraph (h), plus the inflation factor as established in paragraph (d), clause (2), increased by two percentage points, or the current reporting year's corresponding allowable operating cost per diem; or

(2) is above the median of the array, the commissioner shall limit the nursing facility's allowable operating cost per diem for each case mix category to the lesser of the prior reporting year's allowable operating cost per diem as specified in Laws 1996, chapter 451, article 3, section 11, paragraph (h), plus the inflation factor as established in paragraph (d), clause (2), increased by one percentage point, or the current reporting year's corresponding allowable operating cost per diem.

For purposes of paragraph (a), if a nursing facility reports on its cost report a reduction in cost due to a refund or credit for a rate year beginning on or after July 1, 1998, the commissioner shall increase that facility's spend-up limit for the rate year following the current rate year by the amount of the cost reduction divided by its resident days for the reporting year preceding the rate year in which the adjustment is to be made.

(b) For rate years beginning on or after July 1, 1997, the commissioner shall limit the allowable operating cost per diem for high cost nursing facilities. After application of the limits in paragraph (a) to each nursing facility's operating cost per diem, the commissioner shall group nursing facilities into two groups, freestanding or nonfreestanding, within each geographic group. A nonfreestanding nursing facility is a nursing facility whose other operating cost per diem are subject to hospital attached, short length of stay, or rule 80 limits. All other nursing facilities shall be considered freestanding nursing facilities. The commissioner shall then array all nursing facilities within each grouping by their allowable case mix A operating cost per diem. In calculating a nursing facility's operating cost per diem for this purpose, the commissioner shall exclude the raw food cost per diem related to providing special diets that are based on religious beliefs, as determined in subdivision 2b, paragraph (h). For those nursing facilities in each grouping whose case mix A operating cost per diem exceeds 1.0 standard deviation above the median, the commissioner shall reduce their allowable operating cost per diem by three percent. For those nursing facilities in each grouping whose case mix A operating cost per diem exceeds 0.5 standard deviation above the median but is less than or equal to 1.0 standard deviation above the median, the commissioner shall reduce their allowable operating cost per diem by two percent. However, in no case shall a nursing facility's operating cost per diem be reduced below its grouping's limit established at 0.5 standard deviations above the median.

(c) For rate years beginning on or after July 1, 1997, the commissioner shall determine a nursing facility's efficiency incentive by first computing the allowable difference, which is the lesser of \$4.50 or the amount by which the facility's other operating cost limit exceeds its nonadjusted other operating cost per diem for that rate year. The commissioner shall compute the efficiency incentive by:

- (1) subtracting the allowable difference from \$4.50 and dividing the result by \$4.50;
- (2) multiplying 0.20 by the ratio resulting from clause (1), and then;
- (3) adding 0.50 to the result from clause (2); and
- (4) multiplying the result from clause (3) times the allowable difference.

The nursing facility's efficiency incentive payment shall be the lesser of \$2.25 or the product obtained in clause (4).

(d) For rate years beginning on or after July 1, 1997, the forecasted price index for a nursing facility's allowable operating cost per diem shall be determined under clauses (1) and (2) using the change in the Consumer Price Index-All Items (United States city average) (CPI-U) as forecasted by Data Resources, Inc. The commissioner shall use the indices as forecasted in the fourth quarter of the calendar year preceding the rate year, subject to subdivision 21, paragraph (c).

(1) The CPI-U forecasted index for allowable operating cost per diem shall be based on the 21-month period from the midpoint of the nursing facility's reporting year to the midpoint of the rate year following the reporting year.

(2) For rate years beginning on or after July 1, 1997, the forecasted index for operating cost limits referred to in subdivision 21, paragraph (b), shall be based on the CPI-U for the 12-month period between the midpoints of the two reporting years preceding the rate year.

(e) After applying these provisions for the respective rate years, the commissioner shall index these allowable operating cost per diem by the inflation factor provided for in paragraph (d), clause (1), and add the nursing facility's efficiency incentive as computed in paragraph (c).

(f) For the rate years beginning on July 1, 1997, July 1, 1998, and July 1, 1999, a nursing facility licensed for 40 beds effective May 1, 1992, with a subsequent increase of 20 Medicare/Medicaid certified beds, effective January 26, 1993, in accordance with an increase in licensure is exempt from paragraphs (a) and (b).

~~(g) For a nursing facility whose construction project was authorized according to section 144A.073, subdivision 5, paragraph (g), the operating cost payment rates for the new location shall be determined based on Minnesota Rules, part 9549.0057. The relocation allowed under section 144A.073, subdivision 5, paragraph (g), and the rate determination allowed under this paragraph must meet the cost neutrality requirements of section 144A.073, subdivision 3c. Paragraphs (a) and (b) shall not apply until the second rate year after the settle up cost report is filed. Notwithstanding subdivision 2b, paragraph (g), real estate taxes and special assessments payable by the new location, a 501(c)(3) nonprofit corporation, shall be included in the payment rates determined under this subdivision for all subsequent rate years.~~

~~(h)~~ (g) For the rate year beginning July 1, 1997, the commissioner shall compute the payment rate for a nursing facility licensed for 94 beds on September 30, 1996, that applied in October 1993 for approval of a total replacement under the moratorium exception process in section 144A.073, and completed the approved replacement in June 1995, with other operating cost spend-up limit under paragraph (a), increased by \$3.98, and after computing the facility's payment rate according to this section, the commissioner shall make a one-year positive rate adjustment of \$3.19 for operating costs related to the newly constructed total replacement, without application of paragraphs (a) and (b).



The facility's per diem, before the \$3.19 adjustment, shall be used as the prior reporting year's allowable operating cost per diem for payment rate calculation for the rate year beginning July 1, 1998. A facility described in this paragraph is exempt from paragraph (b) for the rate years beginning July 1, 1997, and July 1, 1998.

⊕ (h) For the purpose of applying the limit stated in paragraph (a), a nursing facility in Kandiyohi County licensed for 86 beds that was granted hospital-attached status on December 1, 1994, shall have the prior year's allowable care-related per diem increased by \$3.207 and the prior year's other operating cost per diem increased by \$4.777 before adding the inflation in paragraph (d), clause (2), for the rate year beginning on July 1, 1997.

⊕ (i) For the purpose of applying the limit stated in paragraph (a), a 117 bed nursing facility located in Pine County shall have the prior year's allowable other operating cost per diem increased by \$1.50 before adding the inflation in paragraph (d), clause (2), for the rate year beginning on July 1, 1997.

⊕ (j) For the purpose of applying the limit under paragraph (a), a nursing facility in Hibbing licensed for 192 beds shall have the prior year's allowable other operating cost per diem increased by \$2.67 before adding the inflation in paragraph (d), clause (2), for the rate year beginning July 1, 1997.

Sec. 3. Minnesota Statutes 2010, section 256B.437, subdivision 4, is amended to read:

Subd. 4. **Criteria for review of application.** In reviewing and approving closure proposals, the commissioner shall consider, but not be limited to, the following criteria:

(1) improved quality of care and quality of life for consumers;

(2) closure of a nursing facility that has a poor physical plant, ~~which may be evidenced by the conditions referred to in section 144A.073, subdivision 4, clauses (4) and (5);~~

(3) the existence of excess nursing facility beds, measured in terms of beds per thousand persons aged 85 or older. The excess must be measured in reference to:

(i) the county in which the facility is located;

(ii) the county and all contiguous counties;

(iii) the region in which the facility is located; or

(iv) the facility's service area;

the facility shall indicate in its application the service area it believes is appropriate for this measurement. A facility in a county that is in the lowest quartile of counties with reference to beds per thousand persons aged 85 or older is not in an area of excess capacity;

(4) low-occupancy rates, provided that the unoccupied beds are not the result of a personnel shortage. In analyzing occupancy rates, the commissioner shall examine waiting lists in the applicant facility and at facilities in the surrounding area, as determined under clause (3);

(5) evidence of coordination between the community planning process and the facility application. If the planning group does not support a level of nursing facility closures that the commissioner considers to be reasonable, the commissioner may approve a planned closure proposal without its support;

(6) proposed usage of funds available from a planned closure rate adjustment for care-related purposes;

(7) innovative use planned for the closed facility's physical plant;

(8) evidence that the proposal serves the interests of the state; and

(9) evidence of other factors that affect the viability of the facility, including excessive nursing pool costs."

Delete the title and insert:

"A bill for an act relating to human services; modifying certain nursing facility provisions; amending Minnesota Statutes 2010, sections 12A.10, by adding a subdivision; 144A.071, subdivisions 3, 4a; 144A.073, subdivision 3c, by adding a subdivision; 256B.431, subdivision 26; 256B.437, subdivision 4; 256B.441, by adding a subdivision; repealing Minnesota Statutes 2010, section 144A.073, subdivisions 4, 5."

The motion prevailed and the amendment was adopted.

Abeler, Huntley and Schomacker moved to amend S. F. No. 626, the second engrossment, as amended, as follows:

Page 4, after line 8, insert:

"Sec. 3. Minnesota Statutes 2010, section 144A.071, is amended by adding a subdivision to read:

Subd. 4d. **Consolidation of nursing facilities.** (a) The commissioner of health, in consultation with the commissioner of human services, may approve a request for consolidation of nursing facilities which includes the closure of one or more facilities and the upgrading of the physical plant of the remaining nursing facility or facilities, the costs of which exceed the threshold project limit under subdivision 2, clause (a). The commissioners shall consider the criteria in this section, section 144A.073, and section 256B.437, in approving or rejecting a consolidation proposal. In the event the commissioners approve the request, the commissioner of human services shall calculate a property rate adjustment according to clauses (1) to (3):

(1) the closure of beds shall not be eligible for a planned closure rate adjustment under section 256B.437, subdivision 6;

(2) the construction project permitted in this clause shall not be eligible for a threshold project rate adjustment under section 256B.434, subdivision 4f, or a moratorium exception adjustment under section 144A.073; and

(3) the property payment rate for a remaining facility or facilities shall be increased by an amount equal to 65 percent of the projected net cost savings to the state calculated in paragraph (b), divided by the state's medical assistance percentage of medical assistance dollars, and then divided by estimated medical assistance resident days, as determined in paragraph (c), of the remaining nursing facility or facilities in the request in this paragraph.

(b) For purposes of calculating the net cost savings to the state, the commissioner shall consider clauses (1) to (7):

(1) the annual savings from estimated medical assistance payments from the net number of beds closed taking into consideration only beds that are in active service on the date of the request and that have been in active service for at least three years;

(2) the estimated annual cost of increased case load of individuals receiving services under the elderly waiver;

(3) the estimated annual cost of elderly waiver recipients receiving support under group residential housing;

(4) the estimated annual cost of increased case load of individuals receiving services under the alternative care program;

(5) the annual loss of license surcharge payments on closed beds;

(6) the savings from not paying planned closure rate adjustments that the facilities would otherwise be eligible for under section 256B.437; and

(7) the savings from not paying property payment rate adjustments from submission of renovation costs that would otherwise be eligible as threshold projects under section 256B.434, subdivision 4f.

(c) For purposes of the calculation in paragraph (a), clause (3), the estimated medical assistance resident days of the remaining facility or facilities shall be computed assuming 95 percent occupancy multiplied by the historical percentage of medical assistance resident days of the remaining facility or facilities, as reported on the facility's or facilities' most recent nursing facility statistical and cost report filed before the plan of closure is submitted, multiplied by 365.

(d) For purposes of net cost of savings to the state in paragraph (b), the average occupancy percentages will be those reported on the facility's or facilities' most recent nursing facility statistical and cost report filed before the plan of closure is submitted, and the average payment rates shall be calculated based on the approved payment rates in effect at the time the consolidation request is submitted.

(e) To qualify for the property payment rate adjustment under this provision, the closing facilities shall:

(1) submit an application for closure according to section 256B.437, subdivision 3; and

(2) follow the resident relocation provisions of section 144A.161.

(f) The county or counties in which a facility or facilities are closed under this subdivision shall not be eligible for designation as a hardship area under section 144A.071, subdivision 3, for five years from the date of the approval of the proposed consolidation. The applicant shall notify the county of this limitation and the county shall acknowledge this in a letter of support."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 626, A bill for an act relating to human services; modifying certain nursing facility provisions; amending Minnesota Statutes 2010, sections 12A.10, by adding a subdivision; 144A.071, subdivisions 3, 4a; 144A.073, subdivision 3c, by adding a subdivision; 256B.431, subdivision 26; 256B.437, subdivision 4; 256B.441, by adding a subdivision; repealing Minnesota Statutes 2010, section 144A.073, subdivisions 4, 5.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Davids	Hackbarth	Knuth	McNamara	Quam
Anderson, B.	Davnie	Hamilton	Koenen	Melin	Runbeck
Anderson, D.	Dean	Hancock	Kriesel	Moran	Sanders
Anderson, P.	Dettmer	Hansen	Lanning	Morrow	Schomacker
Anderson, S.	Dill	Hausman	Leidiger	Mullery	Scott
Anzelc	Dittrich	Hayden	LeMieur	Murdock	Shimanski
Atkins	Doepke	Hilstrom	Lenczewski	Murphy, E.	Simon
Banaian	Downey	Hilty	Lesch	Murphy, M.	Slawik
Barrett	Drazkowski	Holberg	Liebling	Murray	Slocum
Beard	Eken	Hoppe	Lillie	Myhra	Smith
Benson, J.	Erickson	Hornstein	Loeffler	Nelson	Stensrud
Benson, M.	Fabian	Hortman	Lohmer	Nornes	Swedzinski
Bills	Falk	Hosch	Loon	Norton	Torkelson
Brynaert	Franson	Howes	Mack	O'Driscoll	Vogel
Buesgens	Fritz	Huntley	Mahoney	Paymar	Wagenius
Carlson	Garofalo	Johnson	Mariani	Pelowski	Ward
Champion	Gottwalt	Kahn	Marquart	Peppin	Wardlow
Clark	Greene	Kath	Mazorol	Persell	Westrom
Cornish	Greiling	Kieffer	McDonald	Petersen, B.	Winkler
Crawford	Gruenhagen	Kiel	McElfratrick	Peterson, S.	Woodard
Daudt	Gunther	Kiffmeyer	McFarlane	Poppe	Spk. Zellers

The bill was passed, as amended, and its title agreed to.

Dean moved that the remaining bills on the Calendar for the Day be continued. The motion prevailed.

Gauthier was excused for the remainder of today's session.

### MOTIONS AND RESOLUTIONS

Davids moved that the names of Mazorol, Stensrud and Loon be added as authors on H. F. No. 122. The motion prevailed.

Clark moved that the name of Slawik be added as an author on H. F. No. 167. The motion prevailed.

Davids moved that the name of McElfratrick be added as an author on H. F. No. 275. The motion prevailed.

Hamilton moved that the name of Loeffler be added as an author on H. F. No. 327. The motion prevailed.

Daudt moved that his name be stricken as an author on H. F. No. 383. The motion prevailed.

Benson, M., moved that his name be stricken as an author on H. F. No. 383. The motion prevailed.

Swedzinski moved that his name be stricken as an author on H. F. No. 383. The motion prevailed.

Kelly moved that the name of Slawik be added as an author on H. F. No. 447. The motion prevailed.

Vogel moved that the name of Benson, M., be added as an author on H. F. No. 493. The motion prevailed.

Anderson, B., moved that the names of Schomacker; Banaian; Anderson, P.; McElfatrick and Vogel be added as authors on H. F. No. 595. The motion prevailed.

Myhra moved that the name of Doepke be added as an author on H. F. No. 638. The motion prevailed.

Kiel moved that the name of Dettmer be added as an author on H. F. No. 682. The motion prevailed.

Loon moved that the names of Nelson and Hamilton be added as authors on H. F. No. 703. The motion prevailed.

Murray moved that the name of Kath be added as an author on H. F. No. 728. The motion prevailed.

Hilty moved that the name of McDonald be added as an author on H. F. No. 763. The motion prevailed.

Kieffer moved that her name be stricken as an author on H. F. No. 803. The motion prevailed.

Erickson moved that the name of Doepke be added as an author on H. F. No. 879. The motion prevailed.

Hamilton moved that the name of Slawik be added as an author on H. F. No. 905. The motion prevailed.

Kiel moved that the name of Hansen be added as an author on H. F. No. 922. The motion prevailed.

Cornish moved that the name of Nornes be added as an author on H. F. No. 977. The motion prevailed.

Marquart moved that his name be stricken as an author on H. F. No. 997. The motion prevailed.

Ward moved that the name of Slocum be added as an author on H. F. No. 1162. The motion prevailed.

Mullery moved that the name of Clark be added as an author on H. F. No. 1226. The motion prevailed.

Paymar moved that the name of Marquart be added as an author on H. F. No. 1231. The motion prevailed.

Mullery moved that the name of Slocum be added as an author on H. F. No. 1307. The motion prevailed.

Mullery moved that the name of Slocum be added as an author on H. F. No. 1388. The motion prevailed.

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

Anderson, S., moved that the names of Fabian, Daudt, Loon, Garofalo, Hoppe and Scott be added as authors on H. F. No. 1424. The motion prevailed.

Anderson, S., moved that the names of Fabian, Daudt, Loon, Garofalo, Hoppe and Scott be added as authors on H. F. No. 1425. The motion prevailed.

Anderson, S., moved that the names of Fabian, Daudt, Loon, Garofalo, Hoppe and Scott be added as authors on H. F. No. 1426. The motion prevailed.

Anderson, S., moved that the names of Fabian, Daudt, Loon, Garofalo, Hoppe and Scott be added as authors on H. F. No. 1427. The motion prevailed.

Hortman moved that the name of Slawik be added as an author on H. F. No. 1429. The motion prevailed.

Drazkowski moved that H. F. No. 66, now on the Calendar for the Day, be re-referred to the Committee on Ways and Means. The motion prevailed.

Benson, M., moved that H. F. No. 89 be recalled from the Committee on Ways and Means and be re-referred to the Committee on Transportation Policy and Finance. The motion prevailed.

Hornstein moved that H. F. No. 852, now on the General Register, be re-referred to the Committee on Taxes. The motion prevailed.

Paymar moved that H. F. No. 1370 be recalled from the Committee on Public Safety and Crime Prevention Policy and Finance and be re-referred to the Committee on Civil Law. The motion prevailed.

Davids moved that H. F. No. 1384 be recalled from the Committee on Civil Law and be re-referred to the Committee on Judiciary Policy and Finance. The motion prevailed.

Erickson moved that H. F. No. 1484 be recalled from the Committee on Education Reform and be re-referred to the Committee on Civil Law. The motion prevailed.

#### ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 887:

Gunther, Hoppe, Kieffer, McFarlane and Sanders.

#### ADJOURNMENT

Dean moved that when the House adjourns today it adjourn until 12:30 p.m., Monday, April 18, 2011. The motion prevailed.

Dean moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:30 p.m., Monday, April 18, 2011.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives