

## STATE OF MINNESOTA

## EIGHTY-SEVENTH SESSION — 2011

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 FORTY-FIFTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, APRIL 28, 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 the Reverend Gloria Roach Thomas, Camphor Memorial United Methodist Church, St. Paul, Minnesota.

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

The roll was called and the following members were present:

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

A quorum was present.

Gunther and Hamilton 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

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

H. F. No. 2, A bill for an act relating to state government; requiring zero-based budgeting; establishing a sunset advisory commission and sunset process for state agencies; amending Minnesota Statutes 2010, sections 16A.103; 16A.11, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 16A; proposing coding for new law as Minnesota Statutes, chapter 3D; repealing Minnesota Statutes 2010, section 16A.103, subdivisions 1b, 4.

Reported the same back with the following amendments:

Page 1, delete article 1 and insert:

### "ARTICLE 1 PERFORMANCE DATA; ZERO-BASED BUDGETING

Section 1. Minnesota Statutes 2010, section 16A.10, subdivision 1a, is amended to read:

Subd. 1a. **Purpose of performance data.** Performance data shall be presented in the budget proposal to:

(1) provide information so that the legislature can determine the extent to which state programs and activities are successful;

(2) encourage agencies to develop clear and measurable goals and objectives for their programs and activities; and

(3) strengthen accountability to Minnesotans by providing a record of state government's performance in providing effective and efficient services.

Sec. 2. Minnesota Statutes 2010, section 16A.10, subdivision 1b, is amended to read:

Subd. 1b. **Performance data format.** (a) As part of the budget proposal, agencies shall:

(1) describe the goals and objectives of each agency program and activity; and

(2) present performance data that measures the performance of programs and activities in meeting ~~program~~ goals and objectives.

(b) Measures reported must be outcome-based and objective, and may include indicators of outputs, efficiency, ~~outcomes~~, and other measures relevant to understanding each program and activity.

(c) Agencies shall present as much historical information as needed to understand major trends and shall set targets for future performance issues ~~where feasible and appropriate~~. The information shall appropriately highlight agency performance issues that would assist legislative review and decision making.

(d) For purposes of this subdivision, subdivision 1a, and section 16A.106, the terms "program" and "activity" are used in the same manner as the terms are used in state budgeting. However, the commissioner may authorize an agency to define these terms in a different manner if that allows for a more effective presentation of performance data.

Sec. 3. Minnesota Statutes 2010, section 16A.10, subdivision 1c, is amended to read:

Subd. 1c. **Performance measures for change items.** For each change item in the budget proposal requesting new or increased funding, the budget document must present proposed performance measures that can be used to determine if the new or increased funding is accomplishing its goals. To the extent possible, each budget change item must identify relevant Minnesota Milestones and other statewide goals and indicators related to the proposed initiative. ~~The commissioner must report to the Subcommittee on Government Accountability established under section 3.885, subdivision 10, regarding the format to be used for the presentation and selection of Minnesota Milestones and other statewide goals and indicators.~~

Sec. 4. Minnesota Statutes 2010, section 16A.103, subdivision 1a, is amended to read:

Subd. 1a. **Forecast parameters.** The forecast must assume the continuation of current laws and reasonable estimates of projected growth in the national and state economies and affected populations. Revenue must be estimated for all sources provided for in current law. Expenditures must be estimated for all obligations imposed by law and those projected to occur as a result of variables outside the control of the legislature. Expenditures for the current biennium must be based on actual appropriations or, for forecasted programs, the amount needed to fund the formula in law. The base for expenditures projections for the next biennium is the amount appropriated in the second year of the current biennium, except as provided by other law, or, for forecasted programs, the amount needed to fund the formula in law. Expenditure estimates must not include an allowance for inflation.

Sec. 5. **[16A.106] ZERO-BASED BUDGETING PRINCIPLES.**

(a) The detailed budget presented to the legislature must include:

(1) a description of each budget activity for which the agency or entity receives an appropriation in the current biennium or for which the agency or entity requests an appropriation in the next biennium;

(2) for each budget activity, three alternative funding levels or alternative ways of performing the budget activity, at least one of which is less than the previous biennium's actual expenditures for that budget activity, a summary of the priorities that would be accomplished within each level compared to a zero budget, and the additional increments of value that would be added by the higher funding levels compared to what would be accomplished if there were no funding for the activity; and

(3) for each budget activity, performance data as specified in section 16A.10, subdivision 1b, the predicted effect of the three alternative funding levels on future performance, and also one or more measures of cost efficiency and effectiveness of program delivery, which must include comparisons to other states or entities with similar programs.

(b) The commissioner's budget preparation guidelines and instructions must contain requirements, deadlines, and technical assistance to facilitate implementation of this section. After consultation with the legislative commission on planning and fiscal policy, the commissioner's instructions may establish parameters for the three alternative funding levels required in paragraph (a), clause (3).

(c) The governor's recommendations must prioritize the budget activities within an agency or program area. To the extent activities in more than one agency or program area are meeting the same goals, the recommendations must prioritize budget activities across agencies or programs with the same goals, and this prioritization must include agencies or programs not subject to zero-based budgeting principles that biennium.

(d) Expenditures for debt service under section 16A.641, subdivision 10, are not subject to zero-based budgeting principles.

**EFFECTIVE DATE.** (a) The zero-based budgeting principles in this section first apply to the following budgets proposals for the biennium beginning July 1, 2013:

(1) legislative branch;

(2) judicial branch;

(3) Minnesota State Colleges and Universities system; and

(4) approximately half of expenditure programs in the executive branch, designated by the governor, in consultation with the chairs and lead minority members of the senate Finance Committee and the house of representatives Ways and Means Committee.

(b) The zero-based budgeting principles in this section apply to all budget proposals for the biennium beginning July 1, 2015, and after.

Sec. 6. Minnesota Statutes 2010, section 16A.11, subdivision 3, is amended to read:

Subd. 3. **Part two: detailed budget.** (a) Part two of the budget, the detailed budget estimates both of expenditures and revenues, must contain any statements on the financial plan which the governor believes desirable or which may be required by the legislature. The detailed estimates shall include the governor's budget arranged in tabular form.

(b) For programs designated for the zero-based budgeting principles under section 16A.106, the budget must be prepared according to the requirements of that section.

(c) For programs not designated for zero-based budgeting principles under section 16A.106, tables listing expenditures for the next biennium must show the appropriation base for each year as defined in section 16A.103, subdivision 1c. ~~The appropriation base is the amount appropriated for the second year of the current biennium.~~ The tables must separately show any adjustments to the base required by current law or policies of the commissioner of management and budget. For forecasted programs, the tables must also show the amount of the forecast adjustments, based on the most recent forecast prepared by the commissioner of management and budget under section 16A.103. For all programs, the tables must show the amount of appropriation changes recommended by the governor, after adjustments to the base and forecast adjustments, and the total recommendation of the governor for that year.

~~(e)~~ (d) The detailed estimates must include a separate line listing the total cost of professional and technical service contracts for the prior biennium and the projected costs of those contracts for the current and upcoming biennium. They must also include a summary of the personnel employed by the agency, reflected as full-time equivalent positions.

~~(d)~~ (e) The detailed estimates for internal service funds must include the number of full-time equivalents by program; detail on any loans from the general fund, including dollar amounts by program; proposed investments in technology or equipment of \$100,000 or more; an explanation of any operating losses or increases in retained earnings; and a history of the rates that have been charged, with an explanation of any rate changes and the impact of the rate changes on affected agencies."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 2, before "requiring" insert "adding performance data to be used in budget proposal;"

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.

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

H. F. No. 7, A bill for an act relating to local government; abolishing certain local government mandates; repealing Minnesota Statutes 2010, sections 122A.61; 123B.05; 126C.12; 134.34, subdivisions 1, 3, 4, 7; 326B.145; 340A.403, subdivision 4; 382.265; 388.24, subdivision 4; 395.14; 395.15; 395.16; 395.17; 395.18; 395.19; 395.20; 395.21; 395.22; 395.23; 395.24; 471.6161, subdivision 5; 471.661; 471.991; 471.992, subdivisions 1, 2, 4; 471.993; 471.994; 471.995; 471.9966; 471.997; 471.9981, subdivisions 5a, 5b, 6, 7; 471.999; 626.8458, subdivision 5; 626.8468, subdivision 1; 626A.17.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2010, section 6.48, is amended to read:

**6.48 EXAMINATION OF COUNTIES; COST, FEES.**

(a) All the powers and duties conferred and imposed upon the state auditor shall be exercised and performed by the state auditor in respect to the offices, institutions, public property, and improvements of several counties of the state. At least once in each year, if funds and personnel permit, the state auditor may visit, without previous notice, each county and make a thorough examination of all accounts and records relating to the receipt and disbursement of the public funds and the custody of the public funds and other property. If the audit is performed by a private certified public accountant, the state auditor may require additional information from the private certified public accountant as the state auditor deems in the public interest. The state auditor may accept the audit or make additional examinations as the state auditor deems to be in the public interest. The state auditor shall prescribe and install systems of accounts and financial reports that shall be uniform, so far as practicable, for the same class of offices. A copy of the report of such examination shall be filed and be subject to public inspection in the office of the state auditor and another copy in the office of the auditor of the county thus examined. The state auditor may accept the records and audit, or any part thereof, of the Department of Human Services in lieu of examination of the county social welfare funds, if such audit has been made within any period covered by the state auditor's audit of the other records of the county. If any such examination shall disclose malfeasance, misfeasance, or nonfeasance in any office of such county, such report shall be filed with the county attorney of the county, and the county attorney shall institute such civil and criminal proceedings as the law and the protection of the public interests shall require.

(b) The county receiving any examination shall pay to the state general fund, notwithstanding the provisions of section 16A.125, the total cost and expenses of such examinations, including the salaries paid to the examiners while actually engaged in making such examination. The state auditor on deeming it advisable may bill counties, having a population of 200,000 or over, monthly for services rendered and the officials responsible for approving and paying claims shall cause said bill to be promptly paid. The general fund shall be credited with all collections made for any such examinations.

(c) Notwithstanding paragraph (a), a county may provide for an audit to be performed by a CPA firm, as defined in section 326A.01, subdivision 7. The audit performed under this paragraph must meet the standards and be in the form required by the state auditor. The state auditor may require additional information from the CPA firm as the state auditor deems in the public interest, but the state auditor must accept the audit unless the state auditor determines that it does not meet recognized industry auditing standards. A county audited by a CPA firm cannot be required to pay to the state general fund any costs for state auditor services.

Sec. 2. Minnesota Statutes 2010, section 134A.12, is amended to read:

**134A.12 TAXABLE AS COSTS.**

The law library fee is a cost in the action and taxable as such, and is to be allotted for the support of the library. If a county has a surplus in its law library fund, the surplus funds may be allotted for costs relating to court facilities under section 484.77.

Sec. 3. Minnesota Statutes 2010, section 279.09, is amended to read:

**279.09 PUBLICATION OF NOTICE AND LIST.**

The county shall cause the notice and list of delinquent real property to be published once in each of two weeks in ~~the a~~ a qualified newspaper ~~designated~~, the first publication of which shall be made on or before March 20 immediately following the filing of such list with the court administrator of the district court, and the second not less than two weeks later. The county shall deliver the list to the newspaper ~~designated~~ at least ten days before the date upon which the list is to be published for the first time. Not less than five days before the second publication, the county shall submit a revised list to the newspaper. A taxpayer who has paid delinquent taxes since the first publication must be removed by the county from the second publication.

Sec. 4. Minnesota Statutes 2010, section 299A.77, is amended to read:

**299A.77 ALCOHOL ENFORCEMENT ACCOUNT; APPROPRIATION.**

(a) An alcohol enforcement account is created in the special revenue fund, consisting of money credited to the account by law. Money in the account may be appropriated by law for (1) costs of the Alcohol and Gambling Division related to administration and enforcement of sections ~~340A.403, subdivision 4;~~ 340A.414, subdivision 1a; and 340A.504, subdivision 7; and (2) costs of the State Patrol.

(b) The commissioner shall transfer from the account to the trunk highway fund \$3,500,000 in fiscal year 2004 and \$3,700,000 in fiscal year 2005, or so much thereof as is necessary to pay costs of adding State Patrol positions.

Sec. 5. Minnesota Statutes 2010, section 326B.133, subdivision 1, is amended to read:

Subdivision 1. **Designation.** Each municipality ~~shall~~ may designate a building official to administer the code. A municipality may designate no more than one building official responsible for code administration defined by each certification category created by statute or rule. Two or more municipalities may combine in the designation of a building official for the purpose of administering the provisions of the code within their communities. In those municipalities for which no building officials have been designated, the state building official may use whichever state employees are necessary to perform the duties of the building official until the municipality makes a temporary or permanent designation. All costs incurred by virtue of these services rendered by state employees must be borne by the involved municipality and receipts arising from these services must be paid to the commissioner.

Sec. 6. Minnesota Statutes 2010, section 331A.11, is amended to read:

**331A.11 APPLICATION.**

Subdivision 1. **Application.** ~~Sections 331A.01 to 331A.11 apply~~ This chapter applies to all political subdivisions of the state.

Subd. 2. **Notices excluded.** ~~Sections 331A.01 to 331A.11 do~~ This chapter does not apply to notices required by private agreements or local laws to be published in newspapers, unless they refer expressly or by implication to this chapter or to particular provisions of this chapter.

Sec. 7. Minnesota Statutes 2010, section 347.14, subdivision 1, is amended to read:

Subdivision 1. **Seizure; impoundment; presumption.** Any person may seize, impound, or restrain any unlicensed dog which the person may find running at large. The fact that a dog is without a license attached to a collar shall be presumptive evidence that the dog is unlicensed. The sheriff and sheriff's deputies or other police

officer ~~shall~~ may seize, impound or restrain any dog for which no license has been issued and for which one is required. Any officer who shall seize, restrain, impound, or kill any dog found in any place without a license, as required under sections 347.09 to 347.20, upon delivery of such dog or carcass and the proper disposal of the carcass and after making a report to the town or city treasurer of the town or city in which the dog was seized or killed, showing that the dog did not have a license, shall receive therefor a payment of \$2, the same to be made from any funds in the town or city treasury not otherwise appropriated.

The county auditor shall reimburse the town for any expense incurred under section 347.10 and shall charge such expense to the dog license fund.

Sec. 8. Minnesota Statutes 2010, section 347.565, is amended to read:

**347.565 APPLICABILITY.**

Sections 347.50 to 347.56 ~~must~~ may be enforced by animal control authorities or law enforcement agencies, whether or not these sections have been adopted into local ordinance.

Sec. 9. Minnesota Statutes 2010, section 375.055, subdivision 1, is amended to read:

Subdivision 1. **Fixed by county board.** (a) The county commissioners in all counties, except Hennepin and Ramsey, shall receive as compensation for services rendered by them for their respective counties, annual salaries and in addition may receive per diem payments and reimbursement for necessary expenses in performing the duties of the office as set by resolution of the county board. The salary and schedule of per diem payments shall not be effective until January 1 of the next year. The resolution shall contain a statement of the new salary on an annual basis. The board may establish a schedule of per diem payments for service by individual county commissioners on any board, committee, or commission of county government including committees of the board, or for the performance of services by individual county commissioners when required by law. ~~In addition to its publication in the official newspaper of the county as part of the proceedings of the meeting of the county board, the resolution setting the salary and schedule of per diem payments shall be published in one other newspaper of the county, if there is one located in a different municipality in the county than the official newspaper.~~ The salary of a county commissioner or the schedule of per diem payments shall not change except in accordance with this subdivision.

(b) Notwithstanding paragraph (a), a resolution adopted by the county board to decrease commissioners' salaries or per diem payments may take effect at any time.

Sec. 10. **REPEALER.**

Minnesota Statutes 2010, sections 279.07; 279.08; 340A.403, subdivision 4; 346.13; 346.14; 346.15; 375.17, subdivision 3; 382.265; 395.14; 395.15; 395.16; 395.17; 395.18; 395.19; 395.20; 395.21; 395.22; 395.23; 395.24; and 471.6161, subdivision 5, are repealed.

Delete the title and insert:

"A bill for an act relating to local government; abolishing certain state mandates; making certain state mandates permissive; authorizing county audit by CPA firm; providing for use of surplus law library fees; changing or eliminating certain publication and reporting requirements; amending Minnesota Statutes 2010, sections 6.48; 134A.12; 279.09; 299A.77; 326B.133, subdivision 1; 331A.11; 347.14, subdivision 1; 347.565; 375.055, subdivision 1; repealing Minnesota Statutes 2010, sections 279.07; 279.08; 340A.403, subdivision 4; 346.13; 346.14; 346.15; 375.17, subdivision 3; 382.265; 395.14; 395.15; 395.16; 395.17; 395.18; 395.19; 395.20; 395.21; 395.22; 395.23; 395.24; 471.6161, subdivision 5."

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. 56, A bill for an act relating to veterans; providing a waiver of immunity for veterans to sue the state of Minnesota as an employer in federal or other courts for violation of the Uniformed Services Employment and Reemployment Rights Act; amending Minnesota Statutes 2010, section 1.05, by adding a subdivision.

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. 182, A bill for an act relating to environment; requiring a study on state and local water management.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on State Government 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. 358, A bill for an act relating to law enforcement; prohibiting immigration law enforcement noncooperation ordinances and policies; providing for use of immigration-related data; proposing coding for new law in Minnesota Statutes, chapters 13; 299A.

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.

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

H. F. No. 384, A bill for an act relating to veterans; repealing the sunset on the campus veterans representative program; repealing Minnesota Statutes 2010, section 197.585, subdivision 5.

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.

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

H. F. No. 441, A bill for an act relating to public safety; 911 telephone service; providing for collection of 911 fees from prepaid wireless telecommunications services; amending Minnesota Statutes 2010, sections 403.02, by adding a subdivision; 403.11, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 403.

Reported the same back with the following amendments:



Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2010, section 237.52, subdivision 3, is amended to read:

Subd. 3. **Collection.** Every telephone company or communications carrier that provides service capable of originating a telecommunications relay call, including cellular communications and other nonwire access services, in this state shall, except as provided in subdivision 3a, 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.

Sec. 2. Minnesota Statutes 2010, section 237.52, is amended by adding a subdivision to read:

Subd. 3a. **Fee for prepaid wireless telecommunications service.** The fee established in subdivision 2 does not apply to prepaid wireless telecommunications services as defined in section 403.02, subdivision 17b, which are instead subject to the prepaid wireless telecommunications access Minnesota fee established in section 403.161, subdivision 1, paragraph (b). Collection, remittance, and deposit of prepaid wireless telecommunications access Minnesota fees are governed by sections 403.161 and 403.162.

Sec. 3. Minnesota Statutes 2010, section 270B.01, subdivision 8, is amended to read:

Subd. 8. **Minnesota tax laws.** For purposes of this chapter only, unless expressly stated otherwise, "Minnesota tax laws" means:

(1) the taxes, refunds, and fees administered by or paid to the commissioner under chapters 115B, 289A (except taxes imposed under sections 298.01, 298.015, and 298.24), 290, 290A, 291, 295, 297A, 297B, ~~and~~ 297H, and 403, or any similar Indian tribal tax administered by the commissioner pursuant to any tax agreement between the state and the Indian tribal government, and includes any laws for the assessment, collection, and enforcement of those taxes, refunds, and fees; and

(2) section 273.1315.

Sec. 4. Minnesota Statutes 2010, section 270B.12, subdivision 4, is amended to read:

Subd. 4. **Department of Public Safety.** The commissioner may disclose return information to the Department of Public Safety for the purpose of and to the extent necessary to administer ~~section~~ sections 270C.725 and 403.16 to 403.162.

Sec. 5. Minnesota Statutes 2010, section 403.02, is amended by adding a subdivision to read:

Subd. 17b. **Prepaid wireless telecommunications service.** "Prepaid wireless telecommunications service" means a wireless telecommunications service that allows the caller to dial 911 to access the 911 system, which service must be paid for in advance and is:

(1) sold in predetermined units or dollars of which the number declines with use in a known amount; or

(2) provides unlimited use for a predetermined time period.

The inclusion of nontelecommunications services, including the download of digital products delivered electronically, content, and ancillary services, with a prepaid wireless telephone service does not preclude that service from being considered a prepaid wireless telephone service under this chapter.

Sec. 6. Minnesota Statutes 2010, section 403.02, is amended by adding a subdivision to read:

Subd. 20a. **Wireless telecommunications service.** Wireless telecommunications service means a commercial mobile radio service, as that term is defined in United States Code, title 47, section 332, subsection (d), including all broadband personal communication services, wireless radio telephone services, and geographic area specialized mobile radio licensees, that offer real-time, two-way voice service interconnected with the public switched telephone network.

Sec. 7. Minnesota Statutes 2010, section 403.02, subdivision 21, is amended to read:

~~Subd. 21. **Wireless telecommunications service provider.** "Wireless telecommunications service provider" means a provider of commercial mobile radio services, as that term is defined in United States Code, title 47, section 332, subsection (d), including all broadband personal communications services, wireless radio telephone services, geographic area specialized and enhanced specialized mobile radio services, and incumbent wide area specialized mobile radio licensees, that offers real time, two way voice service interconnected with the public switched telephone network and that is doing business in the state of Minnesota~~ wireless telecommunications service.

Sec. 8. Minnesota Statutes 2010, section 403.06, subdivision 1a, is amended to read:

~~Subd. 1a. **Biennial budget; annual financial report.** The commissioner shall prepare a biennial budget for maintaining the 911 system. By December 15 of each year, the commissioner shall submit a report to the legislature detailing the expenditures for maintaining the 911 system, the 911 fees collected, the balance of the 911 fund, and the 911-related administrative expenses of the commissioner, and the most recent forecast of revenues and expenditures for the 911 emergency telecommunications service account, including a separate projection of E911 fees from prepaid wireless customers and projections of year-end fund balances.~~ The commissioner is authorized to expend money that has been appropriated to pay for the maintenance, enhancements, and expansion of the 911 system.

Sec. 9. Minnesota Statutes 2010, section 403.11, subdivision 1, is amended to read:

**Subdivision 1. Emergency telecommunications service fee; account.** (a) Each customer of a wireless or wire-line switched or packet-based telecommunications service provider connected to the public switched telephone network that furnishes service capable of originating a 911 emergency telephone call is assessed a fee based upon the number of wired or wireless telephone lines, or their equivalent, to cover the costs of ongoing maintenance and related improvements for trunking and central office switching equipment for 911 emergency telecommunications service, to offset administrative and staffing costs of the commissioner related to managing the 911 emergency telecommunications service program, to make distributions provided for in section 403.113, and to offset the costs, including administrative and staffing costs, incurred by the State Patrol Division of the Department of Public Safety in handling 911 emergency calls made from wireless phones.

(b) Money remaining in the 911 emergency telecommunications service account after all other obligations are paid must not cancel and is carried forward to subsequent years and may be appropriated from time to time to the commissioner to provide financial assistance to counties for the improvement of local emergency telecommunications services. The improvements may include providing access to 911 service for telecommunications service subscribers currently without access and upgrading existing 911 service to include automatic number identification, local location identification, automatic location identification, and other improvements specified in revised county 911 plans approved by the commissioner.

(c) The fee may not be less than eight cents nor more than 65 cents a month until June 30, 2008, not less than eight cents nor more than 75 cents a month until June 30, 2009, not less than eight cents nor more than 85 cents a month until June 30, 2010, and not less than eight cents nor more than 95 cents a month on or after July 1, 2010, for

each customer access line or other basic access service, including trunk equivalents as designated by the Public Utilities Commission for access charge purposes and including wireless telecommunications services. With the approval of the commissioner of management and budget, the commissioner of public safety shall establish the amount of the fee within the limits specified and inform the companies and carriers of the amount to be collected. When the revenue bonds authorized under section 403.27, subdivision 1, have been fully paid or defeased, the commissioner shall reduce the fee to reflect that debt service on the bonds is no longer needed. The commissioner shall provide companies and carriers a minimum of 45 days' notice of each fee change. The fee must be the same for all customers, except that the fee imposed under this subdivision does not apply to prepaid wireless telecommunications service, which is instead subject to the fee imposed under section 403.161, subdivision 1, paragraph (a).

(d) The fee must be collected by each wireless or wire-line telecommunications service provider subject to the fee. Fees are payable to and must be submitted to the commissioner monthly before the 25th of each month following the month of collection, except that fees may be submitted quarterly if less than \$250 a month is due, or annually if less than \$25 a month is due. Receipts must be deposited in the state treasury and credited to a 911 emergency telecommunications service account in the special revenue fund. The money in the account may only be used for 911 telecommunications services.

(e) This subdivision does not apply to customers of interexchange carriers.

(f) The installation and recurring charges for integrating wireless 911 calls into enhanced 911 systems are eligible for payment by the commissioner if the 911 service provider is included in the statewide design plan and the charges are made pursuant to contract.

(g) Competitive local exchanges carriers holding certificates of authority from the Public Utilities Commission are eligible to receive payment for recurring 911 services.

Sec. 10. Minnesota Statutes 2010, section 403.11, is amended by adding a subdivision to read:

Subd. 6. **Report.** (a) Beginning September 1, 2011, and continuing semiannually thereafter, each wireless telecommunications service provider shall report to the commissioner, based on the mobile telephone number, both the total number of prepaid wireless telecommunications subscribers sourced to Minnesota and the total number of wireless telecommunications subscribers sourced to Minnesota. The report must be filed on the same schedule as Federal Communications Commission Form 477.

(b) The commissioner shall make a standard form available to all wireless telecommunications service providers for submitting information required to compile the report required under this subdivision.

(c) The information provided to the commissioner under this subdivision is considered trade secret data under section 13.37 and may only be used for purposes of administering this chapter.

Sec. 11. **[403.16] DEFINITIONS.**

Subdivision 1. **Scope.** For the purposes of sections 403.16 to 403.164, the terms defined in this section have the meanings given them.

Subd. 2. **Consumer.** "Consumer" means a person who purchases prepaid wireless telecommunications service in a retail transaction.

Subd. 3. **Department.** "Department" means the Department of Revenue.

Subd. 4. **Prepaid wireless E911 fee.** "Prepaid wireless E911 fee" means the fee that is required to be collected by a seller from a consumer as established in section 403.161, subdivision 1, paragraph (a).

Subd. 5. **Prepaid wireless telecommunications access Minnesota fee.** "Prepaid wireless telecommunications access Minnesota fee" means the fee that is required to be collected by a seller from a consumer as established in section 403.161, subdivision 1, paragraph (b).

Subd. 6. **Provider.** "Provider" means a person that provides prepaid wireless telecommunications service under a license issued by the Federal Communications Commission.

Subd. 7. **Retail transaction.** "Retail transaction" means the purchase of prepaid wireless telecommunications service from a seller for any purpose other than resale.

Subd. 8. **Seller.** "Seller" means a person who sells prepaid wireless telecommunications service to another person.

Sec. 12. **[403.161] PREPAID WIRELESS FEES IMPOSED; COLLECTION; REMITTANCE.**

Subdivision 1. **Fees imposed.** (a) A prepaid wireless E911 fee of 80 cents per retail transaction is imposed on prepaid wireless telecommunications service until the fee is adjusted as an amount per retail transaction under subdivision 6.

(b) A prepaid wireless telecommunications access Minnesota fee, in the amount of the monthly charge provided for in section 237.52, subdivision 2, is imposed on each retail transaction for prepaid wireless telecommunications service until the fee is adjusted as an amount per retail transaction under subdivision 6.

Subd. 2. **Exemption.** The fees established under subdivision 1 are not imposed on a minimal amount of prepaid wireless telecommunications service that is sold with a prepaid wireless device and is charged a single nonitemized price, and a seller may not apply the fees to such a transaction. For purposes of this subdivision, a minimal amount of service means an amount of service denominated as either ten minutes or less or \$5 or less.

Subd. 3. **Fee collected.** The prepaid wireless E911 and telecommunications access Minnesota fees must be collected by the seller from the consumer for each retail transaction occurring in this state. The amount of each fee must be combined into one amount, which must be separately stated on an invoice, receipt, or other similar document that is provided to the consumer by the seller, or otherwise disclosed to the consumer.

Subd. 4. **Sales and use tax treatment.** For purposes of this section, a retail transaction conducted in person by a consumer at a business location of the seller must be treated as occurring in this state if that business location is in this state, and any other retail transaction must be treated as occurring in this state if the retail transaction is treated as occurring in this state for purposes of the sales and use tax as specified in section 297A.669, subdivision 3, paragraph (c).

Subd. 5. **Remittance.** The prepaid wireless E911 and telecommunications access Minnesota fees are the liability of the consumer and not of the seller or of any provider, except that the seller is liable to remit all fees that the seller collects from consumers as provided in section 403.162, including all fees that the seller is deemed to collect in which the amount of the fee has not been separately stated on an invoice, receipt, or other similar document provided to the consumer by the seller.

Subd. 6. **Exclusion for calculating other charges.** The combined amount of the prepaid wireless E911 and telecommunications access Minnesota fees collected by a seller from a consumer must not be included in the base for measuring any tax, fee, surcharge, or other charge that is imposed by this state, any political subdivision of this state, or any intergovernmental agency.

Subd. 7. **Fee changes.** (a) The prepaid wireless E911 and telecommunications access Minnesota fee must be proportionately increased or reduced upon any change to the fee imposed under section 403.11, subdivision 1, paragraph (c), after July 1, 2011, or the fee imposed under section 237.52, subdivision 2, as applicable.

(b) The department shall post notice of any fee changes on its Web site at least 30 days in advance of the effective date of the fee changes. It is the responsibility of sellers to monitor the department's Web site for notice of fee changes.

(c) Fee changes are effective 60 days after the first day of the first calendar month after the commissioner of public safety or the Public Utilities Commission, as applicable, changes the fee.

Sec. 13. **[403.162] ADMINISTRATION OF PREPAID WIRELESS E911 FEES.**

Subdivision 1. **Remittance.** Prepaid wireless E911 and telecommunications access Minnesota fees collected by sellers must be remitted to the commissioner of revenue at the times and in the manner provided by chapter 297A with respect to the general sales and use tax. The commissioner of revenue shall establish registration and payment procedures that substantially coincide with the registration and payment procedures that apply in chapter 297A.

Subd. 2. **Seller's fee retention.** A seller may deduct and retain three percent of prepaid wireless E911 and telecommunications access Minnesota fees collected by the seller from consumers.

Subd. 3. **Audit; appeal.** The audit and appeal procedures applicable under chapter 297A apply to any fee imposed under section 403.161.

Subd. 4. **Procedures for resale transactions.** The commissioner of revenue shall establish procedures by which a seller of prepaid wireless telecommunications service may document that a sale is not a retail transaction. These procedures must substantially coincide with the procedures for documenting sale for resale transactions as provided in chapter 297A.

Subd. 5. **Fees deposited.** (a) The commissioner of revenue shall, based on the relative proportion of the prepaid wireless E911 fee and the prepaid wireless telecommunications access Minnesota fee imposed per retail transaction, divide the fees collected in corresponding proportions. Within 30 days of receipt of the collected fees, the commissioner shall:

(1) deposit the proportion of the collected fees attributable to the prepaid wireless E911 fee in the 911 emergency telecommunications service account in the special revenue fund; and

(2) deposit the proportion of collected fees attributable to the prepaid wireless telecommunications access Minnesota fee in the telecommunications access fund established in section 237.52, subdivision 1.

(b) The department may deduct and retain an amount, not to exceed two percent of collected fees, to reimburse its direct costs of administering the collection and remittance of prepaid wireless E911 fees and prepaid wireless telecommunications access Minnesota fees.

Sec. 14. **[403.163] LIABILITY PROTECTION FOR SELLERS AND PROVIDERS.**

(a) A provider or seller of prepaid wireless telecommunications service is not liable for damages to any person resulting from or incurred in connection with providing, or failing to provide, 911 or E911 service, or for identifying, or failing to identify, the telephone number, address, location, or name associated with any person or device that is accessing or attempting to access 911 or E911 service.

(b) A provider or seller of prepaid wireless telecommunications service is not liable for damages to any person resulting from or incurred in connection with providing any lawful assistance to any investigative or law enforcement officer of the United States, this or any other state, or any political subdivision of this or any other state, in connection with any lawful investigation or other lawful enforcement activity by the law enforcement officer.

(c) In addition to the protection from liability provided by paragraphs (a) and (b), section 403.08, subdivision 11, applies to sellers and providers.

Sec. 15. **[403.164] EXCLUSIVITY OF PREPAID WIRELESS E911 FEE.**

The prepaid wireless E911 fee imposed by section 403.161 is the only E911 funding obligation imposed with respect to prepaid wireless telecommunications service in this state, and no tax, fee, surcharge, or other charge may be imposed by this state, any political subdivision of this state, or any intergovernmental agency, for E911 funding purposes, upon any provider, seller, or consumer with respect to the sale, purchase, use, or provision of prepaid wireless telecommunications service.

Sec. 16. **REPORT; RECOMMENDATIONS.**

(a) By March 1, 2012, the commissioner of public safety shall submit a report to the chairs and ranking minority members of the legislative committees with primary jurisdiction over public safety and telecommunications that assesses the amount of revenue collected from the fees imposed under Minnesota Statutes, section 403.161, and recommends any adjustment of those fees that the commissioner of public safety determines is necessary in order to:

(1) fund legislative appropriations from the 911 emergency telecommunications service account and to maintain a reasonable fund reserve; and

(2) maintain fairness with respect to the amount of fees paid by customers of prepaid wireless telecommunications service as compared with customers of other telecommunications services.

(b) A wireless telecommunications service provider shall provide any information requested by the commissioner of public safety for the purposes of the report.

Sec. 17. **EFFECTIVE DATE.**

Sections 10 and 16 are effective the day following final enactment. Sections 1 to 9 and 11 to 15 are effective January 1, 2012."

Amend the title as follows:

Page 1, line 3, before the semicolon, insert "and prepaid wireless E911 services"

Correct the title numbers accordingly

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.

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

H. F. No. 495, A bill for an act relating to elections; enacting the Agreement Among the States to Elect the President by National Popular Vote; proposing coding for new law in Minnesota Statutes, chapter 208.

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

The report was adopted.

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

H. F. No. 654, A bill for an act relating to civil actions; reducing the limitation period for bringing certain actions; amending Minnesota Statutes 2010, sections 325D.64; 541.05, subdivision 1.

Reported the same back with the following amendments:

Page 1, delete section 1

Page 2, line 27, delete "Sections 1 and 2 are" and insert "Section 1 is" and delete "apply" and insert "applies"

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.

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

H. F. No. 705, A bill for an act relating to local government; permitting counties to perform private audit meeting standards of state auditor; permitting federal single audit for cities and counties; eliminating certain mandated reporting; providing for alternative Web site publication; making building code official designation permissive; modifying certain mandates for municipal planning process; repealing mandate of clerk hire in certain counties; repealing provisions on seed and feed loans; repealing certain mandates regarding group insurance for governmental units; repealing mandate for policy on out-of-state travel; amending Minnesota Statutes 2010, sections 6.48; 299A.77; 326B.133, subdivision 1; 331A.12; 462.355, subdivision 4; 471.697, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 6; repealing Minnesota Statutes 2010, sections 326B.145; 340A.403, subdivision 4; 382.265; 395.14; 395.15; 395.16; 395.17; 395.18; 395.19; 395.20; 395.21; 395.22; 395.23; 395.24; 471.6161, subdivision 5; 471.661.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2010, section 6.48, is amended to read:

**6.48 EXAMINATION OF COUNTIES; COST, FEES.**

(a) All the powers and duties conferred and imposed upon the state auditor shall be exercised and performed by the state auditor in respect to the offices, institutions, public property, and improvements of several counties of the state. At least once in each year, if funds and personnel permit, the state auditor may visit, without previous notice, each county and make a thorough examination of all accounts and records relating to the receipt and disbursement of the public funds and the custody of the public funds and other property. If the audit is performed by a private certified public accountant, the state auditor may require additional information from the private certified public accountant as the state auditor deems in the public interest. The state auditor may accept the audit or make additional examinations as the state auditor deems to be in the public interest. The state auditor shall prescribe and install systems of accounts and financial reports that shall be uniform, so far as practicable, for the same class of offices. A copy of the report of such examination shall be filed and be subject to public inspection in the office of the state auditor and another copy in the office of the auditor of the county thus examined. The state auditor may accept the records and audit, or any part thereof, of the Department of Human Services in lieu of examination of the county social welfare funds, if such audit has been made within any period covered by the state auditor's audit of the other records of the county. If any such examination shall disclose malfeasance, misfeasance, or nonfeasance in any office of such county, such report shall be filed with the county attorney of the county, and the county attorney shall institute such civil and criminal proceedings as the law and the protection of the public interests shall require.

(b) The county receiving any examination shall pay to the state general fund, notwithstanding the provisions of section 16A.125, the total cost and expenses of such examinations, including the salaries paid to the examiners while actually engaged in making such examination. The state auditor on deeming it advisable may bill counties, having a population of 200,000 or over, monthly for services rendered and the officials responsible for approving and paying claims shall cause said bill to be promptly paid. The general fund shall be credited with all collections made for any such examinations.

(c) Notwithstanding paragraph (a), a county may provide for an audit to be performed by a CPA firm, as defined in section 326A.01, subdivision 7. The audit performed under this paragraph must meet the standards and be in the form required by the state auditor. The state auditor may require additional information from the CPA firm as the state auditor deems in the public interest, but the state auditor must accept the audit unless the state auditor determines that it does not meet recognized industry auditing standards. A county audited by a CPA firm cannot be required to pay to the state general fund any costs for state auditor services.

Sec. 2. Minnesota Statutes 2010, section 279.09, is amended to read:

**279.09 PUBLICATION OF NOTICE AND LIST.**

The county shall cause the notice and list of delinquent real property to be published once in each of two weeks in ~~the a~~ a qualified newspaper ~~designated~~, the first publication of which shall be made on or before March 20 immediately following the filing of such list with the court administrator of the district court, and the second not less than two weeks later. The county shall deliver the list to the newspaper ~~designated~~ at least ten days before the date upon which the list is to be published for the first time. Not less than five days before the second publication, the county shall submit a revised list to the newspaper. A taxpayer who has paid delinquent taxes since the first publication must be removed by the county from the second publication.



Sec. 3. Minnesota Statutes 2010, section 299A.77, is amended to read:

**299A.77 ALCOHOL ENFORCEMENT ACCOUNT; APPROPRIATION.**

(a) An alcohol enforcement account is created in the special revenue fund, consisting of money credited to the account by law. Money in the account may be appropriated by law for (1) costs of the Alcohol and Gambling Division related to administration and enforcement of sections 340A.403, subdivision 4; ~~340A.414, subdivision 1a;~~ and 340A.504, subdivision 7; and (2) costs of the State Patrol.

(b) The commissioner shall transfer from the account to the trunk highway fund \$3,500,000 in fiscal year 2004 and \$3,700,000 in fiscal year 2005, or so much thereof as is necessary to pay costs of adding State Patrol positions.

Sec. 4. Minnesota Statutes 2010, section 326B.133, subdivision 1, is amended to read:

Subdivision 1. **Designation.** Each municipality ~~shall~~ may designate a building official to administer the code. A municipality may designate no more than one building official responsible for code administration defined by each certification category created by statute or rule. Two or more municipalities may combine in the designation of a building official for the purpose of administering the provisions of the code within their communities. In those municipalities for which no building officials have been designated, the state building official may use whichever state employees are necessary to perform the duties of the building official until the municipality makes a temporary or permanent designation. All costs incurred by virtue of these services rendered by state employees must be borne by the involved municipality and receipts arising from these services must be paid to the commissioner.

Sec. 5. Minnesota Statutes 2010, section 331A.11, is amended to read:

**331A.11 APPLICATION.**

Subdivision 1. **Application.** ~~Sections 331A.01 to 331A.11 apply~~ This chapter applies to all political subdivisions of the state.

Subd. 2. **Notices excluded.** ~~Sections 331A.01 to 331A.11 do~~ This chapter does not apply to notices required by private agreements or local laws to be published in newspapers, unless they refer expressly or by implication to this chapter or to particular provisions of this chapter.

Sec. 6. Minnesota Statutes 2010, section 375.055, subdivision 1, is amended to read:

Subdivision 1. **Fixed by county board.** (a) The county commissioners in all counties, except Hennepin and Ramsey, shall receive as compensation for services rendered by them for their respective counties, annual salaries and in addition may receive per diem payments and reimbursement for necessary expenses in performing the duties of the office as set by resolution of the county board. The salary and schedule of per diem payments shall not be effective until January 1 of the next year. The resolution shall contain a statement of the new salary on an annual basis. The board may establish a schedule of per diem payments for service by individual county commissioners on any board, committee, or commission of county government including committees of the board, or for the performance of services by individual county commissioners when required by law. ~~In addition to its publication in the official newspaper of the county as part of the proceedings of the meeting of the county board, the resolution setting the salary and schedule of per diem payments shall be published in one other newspaper of the county, if there is one located in a different municipality in the county than the official newspaper.~~ The salary of a county commissioner or the schedule of per diem payments shall not change except in accordance with this subdivision.

(b) Notwithstanding paragraph (a), a resolution adopted by the county board to decrease commissioners' salaries or per diem payments may take effect at any time.

Sec. 7. **REPEALER.**

Minnesota Statutes 2010, sections 279.07; 279.08; 340A.403, subdivision 4; 382.265; 395.14; 395.15; 395.16; 395.17; 395.18; 395.19; 395.20; 395.21; 395.22; 395.23; 395.24; and 471.6161, subdivision 5, are repealed."

Renumber the sections in sequence and correct the internal references

Delete the title and insert:

"A bill for an act relating to local government; permitting counties to have private audits performed that meet state auditor requirements; eliminating certain publication and reporting requirements; making building code official designation permissive; repealing certain county clerk hiring requirements; repealing seed and feed loans provisions; repealing certain group insurance mandates for governmental units; making clarifying and technical changes; amending Minnesota Statutes 2010, sections 6.48; 279.09; 299A.77; 326B.133, subdivision 1; 331A.11; 375.055, subdivision 1; repealing Minnesota Statutes 2010, sections 279.07; 279.08; 340A.403, subdivision 4; 382.265; 395.14; 395.15; 395.16; 395.17; 395.18; 395.19; 395.20; 395.21; 395.22; 395.23; 395.24; 471.6161, subdivision 5."

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.

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

H. F. No. 730, A bill for an act relating to insurance; establishing the Fairness for Responsible Drivers Act; limiting certain remedies of uninsured motorists; increasing the amount of certain criminal fines; amending Minnesota Statutes 2010, sections 65B.51, subdivision 3; 169.797, subdivision 4.

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.

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

H. F. No. 747, A bill for an act relating to civil actions; providing a factor for determining the amount of attorney fees awarded in certain actions; proposing coding for new law in Minnesota Statutes, chapter 549.

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. 867, A bill for an act relating to drivers' licenses; modifying and clarifying provisions relating to instruction permits; 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 utilizes simulation or behind-the-wheel instruction and that is approved by the commissioner of public safety; and

(ii) the applicant:

(A) has successfully 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 successfully 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 home school diploma, the student's status as a 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) concurrent to the instruction under item (i), is enrolled in the classroom phase of instruction in a public, private, or commercial driver education program that is approved by the commissioner of public safety, and completes 15 hours of classroom instruction and one behind-the-wheel lesson with an instructor;

~~(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~~ through (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, then (v) the foster parent or the director of the transitional living program in which the child resides or, if items (i) through (v) do not apply or the minor applicant 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, foster parent, program director, adult spouse, adult close family member, or adult employer; and

~~(6)~~ (5) has paid ~~the fee~~ all fees 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.

Sec. 2. 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) In addition to the instruction permit fee required under paragraph (a), the commissioner shall collect an additional \$5 program implementation fee from an applicant who is enrolled in concurrent driver education instruction as provided in section 171.05, subdivision 2, paragraph (a), clause (1), item (ii), subitem (C). The

commissioner shall terminate the fee under this paragraph when the department has fully recovered its costs to implement concurrent classroom phase and behind-the-wheel instruction under section 171.05. The commissioner shall deposit proceeds of the fee in the driver services operating account in the special revenue fund. Proceeds from the fee under this paragraph are annually appropriated to the commissioner from the driver services operating account for administrative costs to implement concurrent driver education."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "appropriating money;"

Correct the title numbers accordingly

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

The report was adopted.

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

H. F. No. 886, A bill for an act relating to human services; appropriating money for compulsive gambling.

Reported the same back with the following amendments:

Page 1, line 11, delete "complimentary" and insert "complementary"

Page 1, line 12, after the period, insert "Of this appropriation, \$50,000 in fiscal year 2012 and \$50,000 in fiscal year 2013 are contingent on the contribution of nonstate matching funds. Matching funds may be either cash or qualifying in-kind contributions. The commissioner of management and budget may disburse the state portion of the matching funds in increments of \$25,000 upon receipt of a commitment for an equal amount of matching nonstate funds."

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.

Westrom from the Committee on Civil Law 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 following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[121A.045] YOUTH SPORTS PROGRAMS.**

(a) Consistent with section 121A.323, any city, business, or nonprofit organization that organizes a youth athletic activity for which an activity fee is charged shall:

(1) make information accessible to all participating coaches, officials, and youth athletes and their parents or guardians about the nature and risks of concussions, including the effects and risks of continuing to play after receiving a concussion, and the protocols and content, consistent with current medical knowledge from the Centers for Disease Control and Prevention, related to:

(i) the nature and risks of concussions associated with athletic activity;

(ii) the signs, symptoms, and behaviors consistent with a concussion;

(iii) the need to alert appropriate medical professionals for urgent diagnosis and treatment when a youth athlete is suspected or observed to have received a concussion; and

(iv) the need for a youth athlete who sustains a concussion to follow proper medical direction and protocols for treatment and returning to play;

(2) require all participating coaches and officials to receive initial online training and online training at least once every three calendar years thereafter, consistent with clause (1) and the Concussion in Youth Sports online training program available on the Centers for Disease Control and Prevention Web site; and

(3) before a youth athlete participates in a youth athletic activity, require the youth athlete and the youth athlete's parent or guardian to sign and submit to a coach or other official a concussion information form indicating that the youth athlete received information about concussions.

(b) A coach or official shall remove a youth athlete from participating in any youth athletic activity when the youth athlete:

(1) exhibits signs, symptoms, or behaviors consistent with a concussion; or

(2) is suspected of sustaining a concussion.

(c) When a coach or official removes a youth athlete from participating in a youth athletic activity because of a concussion, the youth athlete may not again participate in the activity until the youth athlete:

(1) no longer exhibits signs, symptoms, or behaviors consistent with a concussion; and

(2) is evaluated by a provider trained and experienced in evaluating and managing concussions and the provider gives the youth athlete written permission to again participate in the activity.

(d) Failing to remove a youth athlete from an activity under this section does not violate section 604A.11, subdivision 2, clause (6), consistent with paragraph (e).

(e) This section does not create any additional liability for, or create any new cause of legal action against, a city, business, or nonprofit organization or any officer or employee of a city, business, or nonprofit organization.

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

Sec. 2. **[121A.323] CONCUSSION PROCEDURES.**

**Subdivision 1. Definitions.** (a) For purposes of this section and section 121A.045, the following terms have the meanings given them.

(b) "Concussion" means a complex pathophysiological process affecting the brain, induced by traumatic biokinetic forces caused by a direct blow to either the head, face, or neck, or elsewhere on the body with an impulsive force transmitted to the head that may involve the rapid onset of short-lived impairment of neurological function and clinical symptoms, loss of consciousness, or prolonged postconcussive symptoms.

(c) "Provider" means a health care provider who is:

(1) registered, licensed, certified, or otherwise statutorily authorized by the state to provide medical treatment;

(2) trained and experienced in evaluating and managing pediatric concussions; and

(3) practicing within the person's medical training and scope of practice.

(d) "Youth athlete" means a young person through age 18 who actively participates in an athletic activity, including a sport.

(e) "Youth athletic activity" means any athletic activity related to competition, practice, or training exercises. For purposes of school-sponsored sports under this section, youth athletic activities are extracurricular athletic activities.

**Subd. 2. School-sponsored sports.** (a) The appropriate sports governing body, including the high school league under chapter 128C, among other sports governing bodies, shall work with public and nonpublic school coaches, officials, and youth athletes and their parents or guardians to make information available about the nature and risks of concussions, including the effects of continuing to play after receiving a concussion. The information shall include protocols and content, consistent with current medical knowledge from the Centers for Disease Control and Prevention, related to:

(1) the nature and risks of concussions associated with athletic activity;

(2) the signs, symptoms, and behaviors consistent with a concussion;

(3) the need to alert appropriate medical professionals for urgent diagnosis and treatment when a youth athlete is suspected or observed to have received a concussion; and

(4) the need for a youth athlete who sustains a concussion to follow proper medical direction and protocols for treatment and returning to play.

A sports governing body that posts or provides appropriate links to the information indicated in this paragraph has complied with the requirements of this paragraph.

(b) Consistent with paragraph (a), the appropriate sports governing body shall provide access to the Concussion in Youth Sports online training program available on the Centers for Disease Control and Prevention Web site. Each school coach and official involved in youth athletic activities must receive initial online training and online training at least once every three school years thereafter.

(c) At the start of each school year, school officials shall make information available about the nature and risks of concussions to youth athletes and their parents or guardians. If a parent of a youth athlete must sign a consent form to allow the youth athlete to participate in a school-sponsored athletic activity, the form must include information about the nature and risk of concussions.

(d) A coach or official shall remove a youth athlete from participating in any youth athletic activity when the youth athlete:

(1) exhibits signs, symptoms, or behaviors consistent with a concussion; or

(2) is suspected of sustaining a concussion.

(e) When a coach or official removes a youth athlete from participating in a youth athletic activity because of a concussion, the youth athlete may not return to the activity until the youth athlete:

(1) no longer exhibits signs, symptoms, or behaviors consistent with a concussion; and

(2) is evaluated by a provider trained and experienced in evaluating and managing concussions and the provider gives the youth athlete written permission to again participate in the activity.

(f) Failing to remove a youth athlete from an activity as required under this section does not violate section 604A.11, subdivision 2, clause (6), consistent with paragraph (g).

(g) This section does not create any additional liability for, or create any new cause of legal action against, a school or school district or any officer or employee of a school or school district.

**EFFECTIVE DATE.** This section is effective for the 2011-2012 school year and later.

Sec. 3. Minnesota Statutes 2010, section 128C.02, is amended by adding a subdivision to read:

Subd. 3b. **Concussion awareness, safety, and protection.** The league may adopt a concussion awareness, safety, and protection policy that exceeds the requirements of section 121A.323.

**EFFECTIVE DATE.** This section is effective for the 2011-2012 school year and later."

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. 926, A bill for an act relating to health; changing provisions for evaluation of health coverage mandates; amending Minnesota Statutes 2010, section 62J.26.

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

The report was adopted.



McNamara from the Committee on Environment, Energy and Natural Resources Policy and Finance to which was referred:

H. F. No. 1011, A bill for an act relating to natural resources; providing for disposition of trout and salmon management account; appropriating money; amending Minnesota Statutes 2010, section 97A.075, subdivision 3.

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

The report was adopted.

McNamara from the Committee on Environment, Energy and Natural Resources Policy and Finance to which was referred:

H. F. No. 1012, A bill for an act relating to natural resources; providing for disposition of waterfowl habitat improvement account; appropriating money; amending Minnesota Statutes 2010, section 97A.075, subdivision 2.

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

The report was adopted.

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

H. F. No. 1024, A bill for an act relating to state government; reducing the number of deputy commissioners and eliminating assistant commissioner positions in the unclassified service; amending Minnesota Statutes 2010, sections 15.06, subdivision 8; 16B.03; 43A.08, subdivision 1; 45.013; 84.01, subdivision 3; 116.03, subdivision 1; 116J.01, subdivision 5; 116J.035, subdivision 4; 174.02, subdivision 2; 241.01, subdivision 2.

Reported the same back with the following amendments:

Page 1, line 10, after "commissioners" insert "; no assistant commissioners"

Page 1, line 13, after the period, insert "No department or agency specified in subdivision 1 may employ an assistant commissioner."

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

The report was adopted.

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

H. F. No. 1036, A bill for an act relating to state government; providing for management and consolidation of the state passenger vehicle fleet; amending Minnesota Statutes 2010, section 16B.54, subdivision 1.

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.

Urdahl from the Legacy Funding Division to which was referred:

H. F. No. 1061, A bill for an act relating to state finance; requiring recipients of certain constitutionally dedicated funds to submit reports.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1  
OUTDOOR HERITAGE FUND

Section 1. **OUTDOOR HERITAGE APPROPRIATION.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the outdoor heritage fund and are available for the fiscal years indicated for each purpose. The figures "2012" and "2013" used in this article 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. The appropriations in this article are onetime.

	<b><u>APPROPRIATIONS</u></b>	
	<b><u>Available for the Year</u></b>	
	<b><u>Ending June 30</u></b>	
	<b><u>2012</u></b>	<b><u>2013</u></b>
Sec. 2. <b><u>OUTDOOR HERITAGE</u></b>		
Subdivision 1. <b><u>Total Appropriation</u></b>	<b><u>\$92,123,000</u></b>	<b><u>\$471,000</u></b>
<u>This appropriation is from the outdoor heritage fund. The amounts that may be spent for each purpose are specified in the following subdivisions.</u>		
Subd. 2. <b><u>Prairies</u></b>	<b><u>35,324,000</u></b>	<b><u>-0-</u></b>
<b><u>(a) Wildlife Management Area, Scientific and Natural Areas, and Prairie Bank Easement Acquisition - Phase III</u></b>		
<u>\$4,690,000 the first year is to the commissioner of natural resources to:</u>		
<u>(1) acquire land in fee for wildlife management area purposes under Minnesota Statutes, sections 86A.05, subdivision 8, and 97A.145;</u>		
<u>(2) acquire land in fee for scientific and natural area purposes under Minnesota Statutes, sections 84.033 and 86A.05, subdivision 5; and</u>		
<u>(3) acquire native prairie bank easements under Minnesota Statutes, section 84.96.</u>		

Of this amount, \$759,000 is for transfer to the outdoor heritage land management account in the special revenue fund for the purposes specified in Minnesota Statutes, section 97A.056, subdivision 1a.

A list of proposed land or permanent conservation easement acquisitions must be provided as part of the required accomplishment plan. The accomplishment plan must include an easement monitoring and enforcement plan. Money appropriated from the outdoor heritage fund for easement acquisition may be used to establish a monitoring and enforcement fund as approved in the accomplishment plan, and subject to subdivision 15. An annual financial report is required for any monitoring and enforcement fund established, including expenditures from the fund.

**(b) Accelerated Prairie Restoration and Enhancement on DNR Lands - Phase III**

\$1,652,000 the first year is to the commissioner of natural resources to accelerate the restoration and enhancement on wildlife management areas, scientific and natural areas, and land under native prairie bank easements.

**(c) Minnesota Buffers for Wildlife and Water**

\$2,249,000 the first year is to the Board of Water and Soil Resources in cooperation with Pheasants Forever to acquire permanent conservation easements to enhance habitat by expanding riparian wildlife buffers on private land. A list of proposed easement acquisitions must be provided as part of the required accomplishment plan. The accomplishment plan must include an easement monitoring and enforcement plan. Money appropriated from the outdoor heritage fund for easement acquisition may be used to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to subdivision 15. An annual financial report is required for any monitoring and enforcement fund established, including expenditures from the fund.

**(d) Northern Tallgrass Prairie National Wildlife Refuge Land Acquisition - Phase III**

\$1,720,000 the first year is to the commissioner of natural resources for an agreement with The Nature Conservancy to acquire land or permanent easements within the Northern Tallgrass Prairie Habitat Preservation Area in western Minnesota for addition to the Northern Tallgrass Prairie National Wildlife Refuge. A list of proposed land acquisitions must be provided as part of the required accomplishment plan. The accomplishment plan must include an easement monitoring and enforcement plan.

**(e) Minnesota Prairie Recovery Project - Phase II**

\$4,500,000 the first year is to the commissioner of natural resources for an agreement with The Nature Conservancy to acquire native prairie and savanna and restore and enhance grasslands and savanna. A list of proposed land acquisitions must be provided as part of the required accomplishment plan. Acquisitions, restorations, and enhancements must be within the two existing and two additional pilot focus areas contained in the accomplishment plan. Annual income statements and balance sheets for income and expenses from land acquired with appropriations from the outdoor heritage fund must be submitted to the Lessard-Sams Outdoor Heritage Council.

**(f) Cannon River Headwaters Habitat Complex - Phase I**

\$1,877,000 the first year is to the commissioner of natural resources for an agreement with The Trust for Public Land to acquire and restore lands in the Cannon River watershed for wildlife management area purposes under Minnesota Statutes, section 86A.05, subdivision 8, or aquatic management areas under Minnesota Statutes, sections 86A.05, subdivision 14, and 97C.02. Of this amount, \$344,000 is for transfer to the outdoor heritage land management account in the special revenue fund for the purposes specified in Minnesota Statutes, section 97A.056, subdivision 1a. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

**(g) Accelerating the Wildlife Management Area Program - Phase III**

\$6,691,000 the first year is to the commissioner of natural resources for an agreement with Pheasants Forever to acquire prairie and other habitat areas for wildlife management area purposes under Minnesota Statutes, section 86A.05, subdivision 8. Of this amount, \$1,191,000 is for transfer to the outdoor heritage land management account in the special revenue fund for the purposes specified in Minnesota Statutes, section 97A.056, subdivision 1a. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

**(h) Accelerating the Waterfowl Production Area Program - Phase III**

\$9,815,000 the first year is to the commissioner of natural resources for an agreement with Pheasants Forever to accelerate the acquisition of wetlands and grasslands to be added to the waterfowl production area system in Minnesota in cooperation with the United States Fish and Wildlife Service. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

**(i) The Green Corridor Legacy Program - Phase III**

\$2,130,000 the first year is to the commissioner of natural resources for an agreement with the Redwood Area Development Corporation to acquire land for wildlife management area purposes under Minnesota Statutes, section 86A.05, subdivision 8, or aquatic management areas under Minnesota Statutes, sections 86A.05, subdivision 14, and 97C.02. Of this amount, \$359,000 is for transfer to the outdoor heritage land management account in the special revenue fund for the purposes specified in Minnesota Statutes, section 97A.056, subdivision 1a. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

**Subd. 3. Forests**16,039,000-0-**(a) Minnesota Forests for the Future - Phase III**

\$5,409,000 the first year is to the commissioner of natural resources to acquire forest and wetland habitat through working forest easements and fee acquisition under the Minnesota forests for the future program pursuant to Minnesota Statutes, section 84.66. A conservation easement acquired with money appropriated under this paragraph must comply with subdivision 13. A list of proposed land acquisitions must be provided as part of the required accomplishment plan. The accomplishment plan must include an easement monitoring and enforcement plan. Money appropriated from the outdoor heritage fund for easement acquisition may be used to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to subdivision 15. An annual financial report is required for any monitoring and enforcement fund established, including expenditures from the fund.

**(b) LaSalle Lake: Protecting Critical Mississippi Headwaters Habitat**

\$5,709,000 the first year is to the commissioner of natural resources for an agreement with The Trust for Public Land to acquire land adjacent to LaSalle Lake in Hubbard County. Of this amount, \$1,077,000 is for transfer to the outdoor heritage land management account in the special revenue fund for the purposes specified in Minnesota Statutes, section 97A.056, subdivision 1a. A list of proposed land acquisitions must be provided as part of the required accomplishment plan. If the acquisition is not completed by July 15, 2012, or if a balance remains after acquisition of land, the money under this paragraph is available for acquisition under subdivision 2, paragraph (a).

**(c) Accelerated Forest Habitat Enhancement - Phase II**

\$826,000 the first year is to the commissioner of natural resources to restore and enhance lands in state forests, pursuant to Minnesota Statutes, 89.021.

**(d) Northeastern Minnesota Sharp-Tailed Grouse Habitat Partnership - Phase II**

\$1,199,000 the first year is to the commissioner of natural resources for an agreement with Pheasants Forever in cooperation with the Minnesota Sharp-Tailed Grouse Society to acquire and enhance lands for wildlife management area purposes under Minnesota Statutes, section 86A.05, subdivision 8. Of this amount, \$211,000 is for transfer to the outdoor heritage land management account in the special revenue fund for the purposes specified in Minnesota Statutes, section 97A.056, subdivision 1a. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

**(e) Lower Mississippi River Habitat Partnership - Phase II**

\$863,000 the first year is to the commissioner of natural resources to acquire and enhance habitat in the lower Root River and lower Zumbro River watersheds, pursuant to Minnesota Statutes, section 86A.05, subdivisions 7 and 8. Of this amount, \$156,000 is for transfer to the outdoor heritage land management account in the special revenue fund for the purposes specified in Minnesota Statutes, section 97A.056, subdivision 1a. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

**(f) Protect Key Forest Habitat Lands in Cass County - Phase II**

\$604,000 the first year is to the commissioner of natural resources for an agreement with Cass County to acquire land in fee for forest wildlife habitat. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

**(g) State Forest Acquisition**

\$1,429,000 the first year is to the commissioner of natural resources to acquire land in fee and permanent management access easements for state forests under Minnesota Statutes, section 86A.05, subdivision 7. Of this amount, \$224,000 is for transfer to the outdoor heritage land management account in the special revenue fund for the purposes specified in Minnesota Statutes, section 97A.056, subdivision 1a. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

**Subd. 4. Wetlands**15,934,000-0-**(a) Reinvest in Minnesota Wetlands Reserve Acquisition and Restoration Program Partnership - Phase III**

\$13,000,000 the first year is to the Board of Water and Soil Resources to acquire permanent conservation easements and restore wetlands and associated upland habitat in cooperation with the United States Department of Agriculture Wetlands Reserve Program. A list of proposed land acquisitions must be provided as part of the required accomplishment plan. The accomplishment plan must include an easement monitoring and enforcement plan. Money appropriated from the outdoor heritage fund for easement acquisition may be used to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to subdivision 15. An annual financial report is required for any monitoring and enforcement fund established, including expenditures from the fund and a description of monitoring and enforcement activities.

**(b) Accelerated Shallow Lakes and Wetlands Restoration and Enhancement - Phase III**

\$936,000 the first year is to the commissioner of natural resources to develop engineering designs for shallow lakes and wetlands and restore and enhance shallow lakes.

**(c) Shallow Lake Shoreland Protection: Wild Rice Lakes**

\$1,998,000 the first year is to the commissioner of natural resources for an agreement with Ducks Unlimited and the Board of Water and Soil Resources to acquire wild rice lake shoreland habitat in fee and as permanent conservation easements as follows: \$500,000 to the Department of Natural Resources; \$1,100,000 to the Board of Water and Soil Resources; \$291,000 to Ducks Unlimited; and \$107,000 for transfer to the outdoor heritage land management account in the special revenue fund for the purposes specified in Minnesota Statutes, section 97A.056, subdivision 1a. A list of proposed land acquisitions must be provided as part of the required accomplishment plan. The accomplishment plan must include an easement monitoring and enforcement plan. Money appropriated from the outdoor heritage fund for easement acquisition may be used to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to subdivision 15. An annual financial report is required for any monitoring and enforcement fund established, including expenditures from the fund.

**Subd. 5. Habitat**24,086,000-0-**(a) Accelerated Aquatic Management Area Habitat Program - Phase III**

\$7,061,000 the first year is to the commissioner of natural resources to acquire interests in land in fee or permanent conservation easements for aquatic management areas under

Minnesota Statutes, sections 86A.05, subdivision 14, and 97C.02, to restore and enhance aquatic habitat. Of this amount, \$561,000 is for transfer to the outdoor heritage land management account in the special revenue fund for the purposes specified in Minnesota Statutes, section 97A.056, subdivision 1a. A list of proposed acquisitions and stream and lake habitat restorations and enhancements must be provided as part of the required accomplishment plan. The accomplishment plan must include an easement monitoring and enforcement plan. Money appropriated from the outdoor heritage fund for easement acquisition may be used to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to subdivision 15. An annual financial report is required for any monitoring and enforcement fund established, including expenditures from the fund.

**(b) Coldwater Fish Habitat Enhancement Program - Phase III**

\$1,533,000 the first year is to the commissioner of natural resources for an agreement with Minnesota Trout Unlimited to restore, enhance, and protect cold water river and stream habitats in Minnesota. A list of proposed projects, describing types and locations of restorations and enhancements, must be provided as part of the required accomplishment plan.

**(c) Land Addition to the Janet Johnson Memorial Wildlife Management Area**

\$707,000 the first year is to the commissioner of natural resources for an agreement with Chisago County to acquire land in fee to be added to the Janet Johnson Memorial Wildlife Management Area under Minnesota Statutes, section 86A.05, subdivision 8. Of this amount, \$130,000 is for transfer to the outdoor heritage land management account in the special revenue fund for the purposes specified in Minnesota Statutes, section 97A.056, subdivision 1a. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

**(d) Metro Big Rivers Habitat - Phase II**

\$5,481,000 the first year is to the commissioner of natural resources for agreements to acquire interests in land in fee or permanent conservation easements and to restore and enhance natural systems associated with the Mississippi, Minnesota, and St. Croix Rivers as follows: \$960,000 to the Minnesota Valley National Wildlife Refuge Trust, Inc.; \$150,000 to Great River Greening; \$840,000 to Minnesota Land Trust; \$150,000 to Friends of the Mississippi River; \$2,900,000 to The Trust for Public Land; and \$481,000 for transfer to the outdoor heritage land management account in the special revenue fund for the purposes specified in Minnesota Statutes, section 97A.056, subdivision 1a. A list of proposed projects, describing types and locations of acquisitions, restorations, and enhancements, must be provided as part of the



required accomplishment plan. The accomplishment plan must include an easement monitoring and enforcement plan. Money appropriated from the outdoor heritage fund for easement acquisition may be used to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to subdivision 15. An annual financial report is required for any monitoring and enforcement fund established, including expenditures from the fund.

**(e) Protecting Sensitive Shorelands in North Central Minnesota**

\$1,098,000 the first year is to the commissioner of natural resources for agreements with the Leech Lake Watershed Foundation and the Minnesota Land Trust as follows: \$339,000 to the Leech Lake Watershed Foundation; \$741,000 to the Minnesota Land Trust; and \$18,000 to the Department of Natural Resources to pay for acquisition-related expenses and monitoring costs of donated permanent conservation easements on sensitive shorelands in north central Minnesota. A list of proposed land acquisitions must be provided as part of the required accomplishment plan. The accomplishment plan must include an easement monitoring and enforcement plan. Money appropriated from the outdoor heritage fund for easement acquisition may be used to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to subdivision 15. An annual financial report is required for any monitoring and enforcement fund established, including expenditures from the fund.

**(f) Restoring Native Habitat and Water Quality to Shell Rock River - Phase II**

\$2,577,000 the first year is to the commissioner of natural resources for an agreement with the Shell Rock River Watershed District to acquire land in fee at the headwaters of the Shell Rock River for aquatic management area purposes under Minnesota Statutes, sections 86A.05, subdivision 14, and 97C.02, to restore and enhance aquatic habitat. The leases for gravel mining existing at the time of acquisition may not be extended and all gross income generated from mining operations must be transferred to the commissioner of management and budget and credited to the outdoor heritage fund. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

**(g) Outdoor Heritage Conservation Partners Grant Program - Phase III**

\$5,629,000 the first year is to the commissioner of natural resources for a program to provide competitive, matching grants of up to \$400,000 to local, regional, state, and national organizations for enhancement, restoration, or protection of forests, wetlands,

prairies, and habitat for fish, game, or wildlife in Minnesota. Grants shall not be made for activities required to fulfill the duties of owners of lands subject to conservation easements. Grants shall not be made from appropriations in this paragraph for projects that have a total project cost exceeding \$475,000. \$319,000 of this appropriation may be spent for personnel costs and other administrative costs. Grantees may acquire land or interests in land. Easements must be permanent. Land acquired in fee must be open to hunting and fishing during the open season unless otherwise provided by state law. The program shall require a match of at least ten percent from nonstate sources for grants of \$100,000 or less and a match of at least 15 percent from nonstate sources for grants over \$100,000. Up to one-third of the match may be in-kind resources. For grant applications of \$25,000 or less, the commissioner shall provide a separate, simplified application process. The criteria for evaluating grant applications over \$25,000 must include the amount of habitat restored, enhanced, or protected; local support; encouragement of a local conservation culture; urgency; capacity to achieve multiple benefits; habitat benefits provided; consistency with current conservation science; adjacency to protected lands; full funding of the project; supplementing existing funding; public access for hunting and fishing during the open season; sustainability; degree of collaboration; and use of native plant materials. All projects must conform to the Minnesota statewide conservation and preservation plan. Wildlife habitat projects must also conform to the Minnesota wildlife action plan. Subject to the evaluation criteria and requirements of this paragraph and Minnesota Statutes, the commissioner of natural resources shall give priority to organizations that have a history of receiving or charter to receive private contributions for local conservation or habitat projects when evaluating projects of equal value. If acquiring land or a conservation easement, priority shall be given to projects associated with existing wildlife management areas under Minnesota Statutes, section 86A.05, subdivision 8; scientific and natural areas under Minnesota Statutes, sections 84.033 and 86A.05, subdivision 5; and aquatic management areas under Minnesota Statutes, sections 86A.05, subdivision 14, and 97C.02. All restoration or enhancement projects must be on land permanently protected by a conservation easement or public ownership or in public waters as defined in Minnesota Statutes, section 103G.005, subdivision 15. Priority shall be given to restoration and enhancement projects on public lands. Subdivision 9 applies to grants awarded under this paragraph. This appropriation is available until June 30, 2015. No less than five percent of the amount of each grant must be held back from reimbursement until the grant recipient has completed a grant accomplishment report by the deadline and in the form prescribed by and satisfactory to the Lessard-Sams Outdoor Heritage Council. The commissioner shall provide notice of the grant program in the 2011 game and fish law summaries that are prepared under Minnesota Statutes, section 97A.051, subdivision 2.

**Subd. 6. Administration**740,000471,000**(a) Contract Management**

\$175,000 the first year is to the Legislative Coordinating Commission to contract with the commissioner of natural resources for expenses incurred for contract fiscal services for the agreements specified in this section. The contract management services must be done on a reimbursement basis.

**(b) Legislative Coordinating Commission**

(1) \$471,000 the first year and \$471,000 the second year are to the Legislative Coordinating Commission for two years of administrative expenses of the Lessard-Sams Outdoor Heritage Council and for two years of compensation and expense reimbursement of council members.

(2) \$10,000 the first year is to the Legislative Coordinating Commission for the Web site required under Minnesota Statutes, section 3.303, subdivision 10.

**(c) Technical Assistance Panel**

\$84,000 the first year is to the commissioner of natural resources for a technical assistance panel to conduct up to ten restoration audits under Minnesota Statutes, section 97A.056, subdivision 10.

**Subd. 7. Availability of Appropriation**

Money appropriated in this section may not be spent on activities unless they are directly related to and necessary for a specific appropriation and are specified in the accomplishment plan. Money appropriated in this section must not be spent on indirect costs or other institutional overhead charges that are not directly related to and necessary for a specific appropriation. Unless otherwise provided, the amounts in this section are available until June 30, 2014, when projects must be completed and final accomplishments reported. Funds for restoration or enhancement are available until June 30, 2016, or four years after acquisition, whichever is later, in order to complete restoration or enhancement work. If a project receives federal funds, the time period of the appropriation is extended to equal the availability of federal funding. Funds appropriated for fee title acquisition of land may be used to restore, enhance, and provide for the public use of land acquired with the appropriation. Public use facilities must have a minimal impact on habitat on acquired lands.

**Subd. 8. Accomplishment Plans**

It is a condition of acceptance of the appropriations made under this section that the agency or entity using the appropriation submit to the Lessard-Sams Outdoor Heritage Council an accomplishment plan and periodic accomplishment reports in the form determined by the council. The accomplishment plan must identify the project manager responsible for expending the appropriation and the final product. The accomplishment plan must account for the use of the appropriation and outcomes of the expenditure in measures of wetlands, prairies, forests, and fish, game, and wildlife habitat restored, protected, and enhanced. The plan must include an evaluation of results. None of the money provided in this section may be expended unless the council has approved the pertinent accomplishment plan.

**Subd. 9. Project Requirements**

(a) As a condition of accepting an appropriation made under this section, an agency or entity receiving an appropriation must comply with this subdivision for any project funded in whole or in part with funds from the appropriation.

(b) All conservation easements acquired with money appropriated under this section must: (1) be permanent; (2) specify the parties to the easement; (3) specify all of the provisions of an agreement that are permanent; (4) specify the habitat types and location being protected; (5) where appropriate for conservation or water protection outcomes, require the grantor to employ practices retaining water on the eased land as long as practicable; (6) specify the responsibilities of the parties for habitat enhancement and restoration and the associated costs of these activities; (7) be sent to the office of the Lessard-Sams Outdoor Heritage Council; (8) include a long-term stewardship plan and identify the sources and amount of funding for monitoring and enforcing the easement agreement; and (9) identify the parties responsible for monitoring and enforcing the easement agreement.

(c) For all restorations, a recipient must prepare and retain an ecological restoration and management plan that, to the degree practicable, is consistent with current conservation science and ecological goals for the restoration site. Consideration should be given to soil, geology, topography, and other relevant factors that would provide the best chance for long-term success and durability of the restoration projects. The plan must include the proposed timetable for implementing the restoration, including, but not limited to, site preparation, establishment of diverse plant species, maintenance, and additional enhancement to establish the restoration; identify long-term maintenance and management needs of the restoration and how the maintenance, management, and enhancement will be financed; and use current conservation science to achieve the best restoration.

(d) For new lands acquired, a recipient must prepare a restoration and management plan in compliance with paragraph (c), including identification of sufficient funding for implementation.

(e) To ensure public accountability for the use of public funds, a recipient must provide to the Lessard-Sams Outdoor Heritage Council documentation of the process used to select parcels acquired in fee or as permanent conservation easements and must provide the council with documentation of all related transaction costs, including, but not limited to, appraisals, legal fees, recording fees, commissions, other similar costs, and donations. This information must be provided for all parties involved in the transaction. The recipient must also report to the Lessard-Sams Outdoor Heritage Council any difference between the acquisition amount paid to the seller and the state-certified or state-reviewed appraisal, if a state-certified or state-reviewed appraisal was conducted. Acquisition data such as appraisals may remain private during negotiations but must ultimately be made public according to Minnesota Statutes, chapter 13.

(f) Except as otherwise provided in this section, all restoration and enhancement projects funded with money appropriated under this section must be on land permanently protected by a conservation easement or public ownership or in public waters as defined in Minnesota Statutes, section 103G.005, subdivision 15.

(g) To the extent an appropriation is used to acquire an interest in real property, a recipient of an appropriation under this section must provide to the Lessard-Sams Outdoor Heritage Council and the commissioner of management and budget an analysis of increased operations and maintenance costs likely to be incurred by public entities as a result of the acquisition and of how these costs are to be paid.

(h) A recipient of money under this section must erect signage according to Laws 2009, chapter 172, article 5, section 10.

**Subd. 10. Payment Conditions and Capital Equipment Expenditures**

All agreements, grants, or contracts referred to in this section must be administered on a reimbursement basis unless otherwise provided in this section. Notwithstanding Minnesota Statutes, section 16A.41, expenditures directly related to each appropriation's purpose made on or after July 1, 2011, are eligible for reimbursement unless otherwise provided in this section. Periodic reimbursement must be made upon receiving documentation that the deliverable items articulated in the approved accomplishment plan have been achieved, including partial achievements as evidenced by approved progress reports. Reasonable amounts may be advanced to projects to accommodate cash flow needs, support

future management of acquired lands, or match a federal share. The advances must be approved as part of the accomplishment plan. Capital equipment expenditures for specific items in excess of \$10,000 must be itemized in and approved as part of the accomplishment plan.

**Subd. 11. Purchase of Recycled and Recyclable Materials**

A political subdivision, public or private corporation, or other entity that receives an appropriation under this section must use the appropriation in compliance with Minnesota Statutes, sections 16B.121, regarding purchase of recycled, repairable, and durable materials, and 16B.122, regarding purchase and use of paper stock and printing.

**Subd. 12. Accessibility**

Structural and nonstructural facilities must meet the design standards in the Americans with Disabilities Act (ADA) accessibility guidelines.

**Subd. 13. Land Acquisition Restrictions**

(a) An interest in real property, including, but not limited to, an easement or fee title that is acquired with money appropriated under this section must be used in perpetuity or for the specific term of an easement interest for the purpose for which the appropriation was made.

(b) A recipient of funding who acquires an interest in real property subject to this subdivision may not alter the intended use of the interest in real property or convey any interest in the real property acquired with the appropriation without the prior review and approval of the Lessard-Sams Outdoor Heritage Council or its successor. The council shall notify the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over the outdoor heritage fund at least 15 business days before approval under this paragraph. The council shall establish procedures to review requests from recipients to alter the use of or convey an interest in real property. These procedures shall allow for the replacement of the interest in real property with another interest in real property meeting the following criteria: (1) the interest must be at least equal in fair market value, as certified by the commissioner of natural resources, to the interest being replaced; and (2) the interest must be in a reasonably equivalent location and have a reasonably equivalent useful conservation purpose compared to the interest being replaced, taking into consideration all effects from fragmentation of the whole habitat.

(c) A recipient of funding who acquires an interest in real property under paragraph (a) must separately record a notice of funding restrictions in the appropriate local government office where the conveyance of the interest in real property is filed. The notice of funding agreement must contain: (1) a legal description of the interest in real property covered by the funding agreement; (2) a reference to the underlying funding agreement; (3) a reference to this section; and (4) the following statement: "This interest in real property shall be administered in accordance with the terms, conditions, and purposes of the grant agreement controlling the acquisition of the property. The interest in real property, or any portion of the interest in real property, shall not be sold, transferred, pledged, or otherwise disposed of or further encumbered without obtaining the prior written approval of the Lessard-Sams Outdoor Heritage Council or its successor. The ownership of the interest in real property shall transfer to the state if: (1) the holder of the interest in real property fails to comply with the terms and conditions of the grant agreement or accomplishment plan; or (2) restrictions are placed on the land that preclude its use for the intended purpose as specified in the appropriation."

**Subd. 14. Real Property Interest Report**

By December 1 each year, a recipient of money appropriated under this section that is used for the acquisition of an interest in real property, including, but not limited to, an easement or fee title, must submit annual reports on the status of the real property to the Lessard-Sams Outdoor Heritage Council or its successor in a form determined by the council. The responsibility for reporting under this section may be transferred by the recipient of the appropriation to another person or entity that holds the interest in the real property. To complete the transfer of reporting responsibility, the recipient of the appropriation must: (1) inform the person to whom the responsibility is transferred of that person's reporting responsibility; (2) inform the person to whom the responsibility is transferred of the property restrictions under subdivision 13; (3) provide written notice to the council of the transfer of reporting responsibility, including contact information for the person to whom the responsibility is transferred; and (4) provide the council or its successor written documentation from the person or entity holding the interest in real property certifying the person's or entity's acceptance of all reporting obligations and responsibilities previously held by the recipient of the appropriation. After the transfer, the person or entity that holds the interest in the real property is responsible for reporting requirements under this section.

**Subd. 15. Easement Monitoring and Enforcement Requirements**

Money appropriated under this section for easement monitoring and enforcement may be spent only on activities included in an easement monitoring and enforcement plan contained within the accomplishment plan. Money received for monitoring and enforcement, including earnings on the money received, shall be kept in a monitoring and enforcement fund held by the organization and dedicated to monitoring and enforcing conservation easements within Minnesota. Within 120 days after the close of the entity's fiscal year, an entity receiving appropriations for easement monitoring and enforcement must provide an annual financial report to the Lessard-Sams Outdoor Heritage Council on the easement monitoring and enforcement fund as specified in the accomplishment plan. Money appropriated under this section for monitoring and enforcement of easements and earnings on the money appropriated shall revert to the state if: (1) the easement transfers to the state under subdivision 13; (2) the holder of the easement fails to file an annual report and then fails to cure that default within 30 days of notification of the default by the state; or (3) the holder of the easement fails to comply with the terms of the monitoring and enforcement plan contained within the accomplishment plan and fails to cure that default within 90 days of notification of the default by the state.

**Subd. 16. Successor Organizations**

The Lessard-Sams Outdoor Heritage Council may approve the continuation of a project with an organization that has adopted a new name. Continuation of a project with an organization that has undergone a significant change in mission, structure, or purpose requires: (1) notice to the chairs of the legislative committees with relevant jurisdiction; and (2) presentation by the council of proposed legislation either ratifying or rejecting continued involvement with the new organization.

**Subd. 17. Appropriations Adjustment****(a) Mississippi River Bluffland Prairie Protection Initiative**

Of the amount appropriated in Laws 2009, chapter 172, article 1, section 2, subdivision 2, paragraph (f), \$65,000 is for deposit in a monitoring and enforcement account as authorized in subdivision 15.

**(b) Critical Shoreline Habitat Protection Program**

Of the amount appropriated in Laws 2010, chapter 361, article 1, section 2, subdivision 3, paragraph (a), \$187,000 is for deposit in a monitoring and enforcement account as authorized in subdivision 15.



**(c) Riparian and Lakeshore Protection in Dakota County**

Of the amount appropriated in Laws 2010, chapter 361, article 1, section 2, subdivision 5, paragraph (d), \$80,000 is for deposit in a monitoring and enforcement account as authorized in subdivision 15.

**(d) Valley Creek Protection Partnership**

Of the amount appropriated in Laws 2010, chapter 361, article 1, section 2, subdivision 5, paragraph (e), \$12,000 is for deposit in a monitoring and enforcement account as authorized in subdivision 15.

Sec. 3. **[84.68] FORESTS FOR THE FUTURE CONSERVATION EASEMENT ACCOUNT.**

Subdivision 1. **Account established; sources.** The forests for the future conservation easement account is created in the natural resources fund in the state treasury. The following revenue shall be deposited in the account:

- (1) contributions to the account or specified for any purposes of the account;
- (2) financial contributions required under section 84.66, subdivision 11, or other applicable law; and
- (3) money appropriated or transferred for the purposes described in subdivision 2.

Interest earned on money in the account accrues to the account.

Subd. 2. **Appropriation; purposes of account.** Money in the forests for the future conservation easement account is appropriated annually to the commissioner of natural resources and may be spent only to cover the costs of managing forests for the future conservation easements held by the Department of Natural Resources, including costs incurred from monitoring, landowner contracts, record keeping, processing landowner notices, requests for approval or amendments, and enforcement.

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

Sec. 4. Minnesota Statutes 2010, section 97A.056, is amended by adding a subdivision to read:

Subd. 1a. **Outdoor heritage land management account.** An outdoor heritage land management account is created as an account in the special revenue fund. The State Board of Investment shall ensure the account is invested under section 11A.24. The commissioner of management and budget shall credit to the account all money appropriated to the account and all money earned by the account. The principal of the account and any unexpended earnings must be invested and reinvested by the State Board of Investment. Nothing in this section limits the source of contributions to the account. No more than five and one-half percent of the market value of the account as of June 30 of the prior fiscal year is appropriated to the commissioner of natural resources to pay for future restoration and enhancement of lands purchased in fee with monies from the outdoor heritage fund and held by the state and to reimburse the general fund for payments made under sections 97A.061, subdivision 1, and 477A.12 for lands purchased with funds from the outdoor heritage fund.

Sec. 5. Minnesota Statutes 2010, section 97A.056, is amended by adding a subdivision to read:

Subd. 1b. **Definitions.** For the purpose of appropriations from the outdoor heritage fund, "recipient" means the entity responsible for deliverables financed by the outdoor heritage fund.

**EFFECTIVE DATE.** This section is effective retroactively from July 1, 2009.

Sec. 6. Minnesota Statutes 2010, section 97A.056, subdivision 2, is amended to read:

Subd. 2. **Lessard-Sams Outdoor Heritage Council.** (a) The Lessard-Sams Outdoor Heritage Council of 12 members is created in the legislative branch, consisting of:

(1) two public members appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration;

(2) two public members appointed by the speaker of the house;

(3) four public members appointed by the governor;

(4) two members of the senate appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration; and

(5) two members of the house of representatives appointed by the speaker of the house.

(b) Members appointed under paragraph (a) must not be registered lobbyists. In making appointments, the governor, senate Subcommittee on Committees of the Committee on Rules and Administration, and the speaker of the house shall consider geographic balance, gender, age, ethnicity, and varying interests including hunting and fishing. The governor's appointments to the council are subject to the advice and consent of the senate.

(c) Public members appointed under paragraph (a) shall have practical experience or expertise or demonstrated knowledge in the science, policy, or practice of restoring, protecting, and enhancing wetlands, prairies, forests, and habitat for fish, game, and wildlife.

(d) Legislative members appointed under paragraph (a) shall include the chairs of the legislative committees with jurisdiction over environment and natural resources finance or their designee, one member from the minority party of the senate, and one member from the minority party of the house of representatives.

(e) Public members serve four-year terms and. Appointed legislative members serve at the pleasure of the appointing authority. Public and legislative members continue to serve until their successors are appointed. Public members shall be initially appointed according to the following schedule of terms:

(1) two public members appointed by the governor for a term ending the first Monday in January 2011;

(2) one public member appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration for a term ending the first Monday in January 2011;

(3) one public member appointed by the speaker of the house for a term ending the first Monday in January 2011;

(4) two public members appointed by the governor for a term ending the first Monday in January 2013;

(5) one public member appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration for a term ending the first Monday in January 2013; and

(6) one public member appointed by the speaker of the house for a term ending the first Monday in January 2013; ~~and.~~

~~(7) two members of the senate appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration for a term ending the first Monday in January 2013, and two members of the house of representatives appointed by the speaker of the house for a term ending the first Monday in January 2013.~~

(f) Compensation and removal of public members are as provided in section 15.0575. A vacancy on the council may be filled by the appointing authority for the remainder of the unexpired term.

(g) The first meeting of the council shall be convened by the chair of the Legislative Coordinating Commission no later than December 1, 2008. Members shall elect a chair, vice-chair, secretary, and other officers as determined by the council. The chair may convene meetings as necessary to conduct the duties prescribed by this section.

(h) Upon coordination with and approval by the Legislative Coordinating Commission, the council may appoint nonpartisan staff and contract with consultants as necessary to carry out the functions of the council. Up to one percent of the money appropriated from the fund may be used to pay for administrative expenses of the council and for compensation and expense reimbursement of council members.

Sec. 7. Minnesota Statutes 2010, section 97A.056, is amended by adding a subdivision to read:

**Subd. 11. Commissioner approval; acquisitions.** The commissioner must agree in writing to each proposed acquisition of land or interest in land purchased with an appropriation from the outdoor heritage fund that is intended to be transferred to the commissioner. Prior to signing the written agreement, the commissioner must determine that the acquisition meets the Department of Natural Resources' precision acquisition goals.

Sec. 8. Laws 2009, chapter 172, article 1, section 2, subdivision 3, is amended to read:

Subd. 3. <b>Forests</b>	18,000,000	18,000,000
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\$18,000,000 in fiscal year 2010 and \$18,000,000 in fiscal year 2011 are to the commissioner of natural resources to acquire land or permanent working forest easements on private forests in areas identified through the Minnesota forests for the future program under Minnesota Statutes, section 84.66. Up to \$750,000 in fiscal year 2011 may be transferred to the forests for the future conservation easement account and used for the purposes specified under Minnesota Statutes, section 84.68, subdivision 2. Priority must be given to acquiring land or interests in private lands within existing Minnesota state forest boundaries. Any easements acquired must have a forest management plan as defined in Minnesota Statutes, section 290C.02, subdivision 7. A list of proposed fee title and easement acquisitions must be provided as part of the required accomplishment plan. ~~The fiscal year 2011 appropriation is available only for acquisitions that, by August 15, 2009, are:~~

- ~~(1) subject to a binding agreement with the commissioner; and~~
- ~~(2) matched by at least \$9,000,000 in private donations.~~

Sec. 9. **REPEALER.**

Minnesota Statutes 2010, section 84.02, subdivisions 1, 2, 3, 4, 5, 6, 7, and 8, are repealed.

ARTICLE 2  
CLEAN WATER FUND

Section 1. **CLEAN WATER FUND APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the clean water fund, and are available for the fiscal years indicated for allowable activities under the Minnesota Constitution, article XI, section 15. "The first year" is fiscal year 2012. "The second year" is fiscal year 2013. "The biennium" is fiscal years 2012 and 2013. The appropriations in this article are onetime.

<b><u>APPROPRIATIONS</u></b>	
<b><u>Available for the Year</u></b>	
<b><u>Ending June 30</u></b>	
<b><u>2012</u></b>	<b><u>2013</u></b>

Sec. 2. **CLEAN WATER**

Subdivision 1. **Total Appropriation**

**\$89,903,000**

**\$88,454,000**

The amounts that may be spent for each purpose are specified in the following sections.

Subd. 2. **Availability of Appropriation**

Money appropriated in this article may not be spent on activities unless they are directly related to and necessary for a specific appropriation. Money appropriated in this article must not be spent on indirect costs or other institutional overhead charges that are not directly related to and necessary for a specific appropriation. Notwithstanding Minnesota Statutes, section 16A.28, and unless otherwise specified in this article, fiscal year 2012 appropriations are available until June 30, 2013, and fiscal year 2013 appropriations are available until June 30, 2014. If a project receives federal funds, the time period of the appropriation is extended to equal the availability of federal funding.

Sec. 3. **DEPARTMENT OF AGRICULTURE**

**\$8,200,000**

**\$8,200,000**

(a) \$350,000 the first year and \$350,000 the second year are to increase monitoring for pesticides and pesticide degradates in surface water and groundwater and to use data collected to assess pesticide use practices.

(b) \$850,000 the first year and \$850,000 the second year are to increase monitoring and evaluate trends in the concentration of nitrates in groundwater in high-risk areas and regionally and to promote and evaluate regional and crop-specific nutrient best management practices. This appropriation is available until spent.

(c) \$5,000,000 the first year and \$5,000,000 the second year are for the agriculture best management practices loan program. At least \$4,000,000 the first year and at least \$4,400,000 the second year are for transfer to the clean water agricultural best management practices loan account and are available for pass-through to local governments and lenders for low-interest loans. Any unencumbered balance that is not used for pass-through to local governments does not cancel at the end of the first year and is available for the second year.

(d) \$700,000 the first year and \$700,000 the second year are for research, pilot projects, and technical assistance on proper implementation of best management practices and more precise information on nonpoint contributions to impaired waters. This appropriation is available until spent.

(e) \$1,050,000 the first year and \$1,050,000 the second year are for research to quantify agricultural contributions to impaired waters and for development and evaluation of best management practices to protect and restore water resources while maintaining productivity. This appropriation is available until spent.

(f) \$250,000 the first year and \$250,000 the second year are for a research inventory database containing water-related research activities that have been publicly funded.

Sec. 4. **PUBLIC FACILITIES AUTHORITY**

**\$16,710,000**

**\$16,710,000**

(a) \$11,185,000 the first year and \$11,185,000 the second year are for the total maximum daily load (TMDL) grant program under Minnesota Statutes, section 446A.073. This appropriation is available until spent.

(b) \$4,275,000 the first year and \$4,275,000 the second year are for the clean water legacy phosphorus reduction grant program under Minnesota Statutes, section 446A.074. This appropriation is available until spent.

(c) \$1,250,000 the first year and \$1,250,000 the second year are for small community wastewater treatment grants and loans under Minnesota Statutes, section 446A.075. This appropriation is available until spent.

(d) If there are any uncommitted funds at the end of each fiscal year under paragraph (a), (b), or (c), the Public Facilities Authority may transfer the remaining funds to eligible projects under any of the programs listed under this section, based on their priority rank on the Pollution Control Agency's project priority list.

Sec. 5. **POLLUTION CONTROL AGENCY****\$23,100,000****\$22,600,000**

(a) \$7,500,000 the first year and \$7,500,000 the second year are for completion of 20 percent of the needed statewide assessments of surface water quality and trends. Of this amount, \$100,000 the first year and \$100,000 the second year are for grants to the Red River Watershed Management Board to enhance and expand the existing water quality and watershed monitoring river watch activities in the schools in the Red River of the North. The Red River Watershed Management Board shall provide a report to the commissioner of the Pollution Control Agency and the legislative committees and divisions with jurisdiction over environment and natural resources finance and policy and the clean water fund by February 15, 2013, on the expenditure of these funds.

(b) \$9,400,000 the first year and \$9,400,000 the second year are to develop total maximum daily load (TMDL) studies and TMDL implementation plans for waters listed on the United States Environmental Protection Agency approved impaired waters list in accordance with Minnesota Statutes, chapter 114D. The agency shall complete an average of ten percent of the TMDL's each year over the biennium.

(c) \$1,125,000 the first year and \$1,125,000 the second year are for groundwater assessment, including enhancing the ambient monitoring network, modeling, and continuing to monitor for and assess contaminants of emerging concern.

(d) \$750,000 the first year and \$750,000 the second year are for water quality improvement in the lower St. Louis River and Duluth harbor. This appropriation must be matched by a rate of 65 percent nonstate funds to 35 percent state funds.

(e) \$1,250,000 the first year and \$1,250,000 the second year are for the clean water partnership program to provide grants to protect and improve the basins and watersheds of the state and provide financial and technical assistance to study waters with nonpoint source pollution problems. Priority shall be given to projects preventing impairments and degradation of lakes, rivers, streams, and groundwater in accordance with Minnesota Statutes, section 114D.20, subdivision 2, clause (4). Any balance remaining in the first year does not cancel and is available for the second year.

(f) \$400,000 the first year and \$400,000 the second year are for storm water research and guidance.

(g) \$1,150,000 the first year and \$1,150,000 the second year are for TMDL research and database development.

(h) \$800,000 the first year and \$800,000 the second year are for national pollutant discharge elimination system wastewater and storm water TMDL implementation efforts.

(i) \$225,000 the first year and \$225,000 the second year are transferred to the commissioner of administration for the Environmental Quality Board in cooperation with the United States Geological Survey to characterize groundwater flow and aquifer properties in the I-94 corridor in cooperation with local units of government. This appropriation is available until June 30, 2014.

(j) \$500,000 the first year is for a wild rice standards study.

Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2013, as grants or contracts in this section are available until June 30, 2016.

Sec. 6. **DEPARTMENT OF NATURAL RESOURCES**

**\$11,160,000**

**\$10,160,000**

(a) \$1,825,000 the first year and \$1,825,000 the second year are for the continuation and expansion of stream flow monitoring.

(b) \$1,150,000 the first year and \$1,150,000 the second year are for lake Index of Biological Integrity (IBI) assessments, including assessment of 400 additional lakes and technical analysis to develop an aquatic plant IBI analysis. The commissioner shall work with the commissioner of the Pollution Control Agency on the development of an assessment tool.

(c) \$130,000 the first year and \$130,000 the second year are for assessing mercury contamination of fish, including monitoring to track the status of waters impaired by mercury and mercury reduction efforts over time.

(d) \$1,730,000 the first year and \$1,730,000 the second year are for TMDL development and TMDL implementation plans for waters listed on the United States Environmental Protection Agency approved impaired waters list in accordance with Minnesota Statutes, chapter 114D, and for development of a watershed assessment tool.

(e) \$1,500,000 the first year and \$1,500,000 the second year are for water supply planning, aquifer protection, and monitoring activities.

(f) \$450,000 the first year and \$450,000 the second year are for establishing a Web-based electronic permitting system to capture water appropriation use information.

(g) \$1,725,000 the first year and \$1,725,000 the second year are for shoreland stewardship, TMDL implementation coordination, providing technical assistance to the Drainage Work Group and

Drainage Management Team, and maintaining and updating data. Of this amount, \$235,000 each year is for maintaining and updating watershed boundaries and integrating high-resolution digital elevation data with watershed modeling and \$40,000 each year is for a biomonitoring database. TMDL implementation coordination efforts shall be focused on major watersheds with TMDL implementation plans, including forested watersheds.

(h) \$1,350,000 the first year and \$1,350,000 the second year are to acquire and distribute high-resolution digital elevation data using light detection and ranging to aid with impaired waters modeling and TMDL implementation under Minnesota Statutes, chapter 114D. The money shall be used to collect data for areas of the state that have not acquired such data prior to January 1, 2007, or to complete acquisition and distribution of the data for those areas of the state that have not previously received state funds for acquiring and distributing the data. Mapping and data set distribution under this paragraph must be completed within three years of funds availability. The commissioner shall utilize department staff whenever possible. The commissioner may contract for services only if the services cannot otherwise be provided by the department.

(i) \$300,000 the first year and \$300,000 the second year are for delivery of decision support tools through outreach, education, and citizen engagement.

(j) \$1,000,000 the first year is for implementation of the metropolitan groundwater monitoring and protection activities under Minnesota Laws 2010, chapter 361, article 2, section 4, subdivision 2.

**Sec. 7. BOARD OF WATER AND SOIL RESOURCES**

**\$27,234,000**

**\$27,234,000**

(a) \$13,750,000 the first year and \$13,750,000 the second year are for pollution reduction and restoration grants to local government units and joint powers organizations of local government units to protect surface water and drinking water; to keep water on the land; to protect, enhance, and restore water quality in lakes, rivers, and streams; and to protect groundwater and drinking water, including feedlot water quality and subsurface sewage treatment system (SSTS) projects and stream bank, stream channel, and shoreline restoration projects. The projects must be of long-lasting public benefit, include a match, and be consistent with TMDL implementation plans or local water management plans.

(b) \$3,000,000 the first year and \$3,000,000 the second year are for targeted local resource protection and enhancement grants. The board shall give priority consideration to projects and practices that complement, supplement, or exceed current state standards for protection, enhancement, and restoration of water quality in lakes, rivers, and streams or that protect groundwater from degradation. Of this amount, at least \$1,500,000 each year is for SSTS county implementation.



(c) \$900,000 the first year and \$900,000 the second year are to provide state oversight and accountability, evaluate results, and measure the value of conservation program implementation by local governments, including submission to the legislature by March 1 each year an annual report prepared by the board, in consultation with the commissioners of natural resources, health, agriculture, and the Pollution Control Agency, detailing the recipients and projects funded under this section. The board shall require grantees to specify the outcomes that will be achieved by the grants prior to any grant awards.

(d) \$1,000,000 the first year and \$1,000,000 the second year are for technical assistance and grants for the conservation drainage program in consultation with the Drainage Work Group that consists of projects to retrofit existing drainage systems with water quality improvement practices, evaluate outcomes, and provide outreach to landowners, public drainage authorities, drainage engineers and contractors, and others.

(e) \$6,000,000 the first year and \$6,000,000 the second year are to purchase and restore permanent conservation easements on riparian buffers adjacent to public waters, excluding wetlands, to keep water on the land in order to decrease sediment, pollutant, and nutrient transport; reduce hydrologic impacts to surface waters; and increase infiltration for groundwater recharge. The riparian buffers must be at least 50 feet unless there is a natural impediment, a road, or other impediment beyond the control of the landowner. This appropriation may be used for restoration of riparian buffers protected by easements purchased with this appropriation and for stream bank restorations when the riparian buffers have been restored.

(f) \$1,000,000 the first year and \$1,000,000 the second year are for permanent conservation easements on wellhead protection areas under Minnesota Statutes, section 103F.515, subdivision 2, paragraph (d). Priority must be placed on land that is located where the vulnerability of the drinking water supply is designated as high or very high by the commissioner of health.

(g) \$1,500,000 the first year and \$1,500,000 the second year are for community partners grants to local units of government for: (1) structural or vegetative management practices that reduce storm water runoff from developed or disturbed lands to reduce the movement of sediment, nutrients, and pollutants for restoration, protection, or enhancement of water quality in lakes, rivers, and streams and to protect groundwater and drinking water; and (2) installation of proven and effective water retention practices including, but not limited to, rain gardens and other vegetated infiltration basins and sediment control basins in order to keep water on the land. The projects must be of long-lasting public benefit, include a local match, and be consistent with TMDL implementation plans or local water management plans. Local government unit staff and administration costs may be used as a match.

(h) \$84,000 the first year and \$84,000 the second year are for a technical assistance panel to conduct up to ten restoration audits under Minnesota Statutes, section 114D.50, subdivision 6.

(i) The board shall contract for services with Conservation Corps Minnesota for restoration, maintenance, and other activities under this section for \$500,000 the first year and \$500,000 the second year.

(j) The board may shift grant or cost-share funds in this section and may adjust the technical and administrative assistance portion of the funds to leverage federal or other nonstate funds or to address oversight responsibilities or high-priority needs identified in local water management plans.

(k) The appropriations in this section are available until spent.

Sec. 8. **DEPARTMENT OF HEALTH**

**\$2,988,000**

**\$3,050,000**

(a) \$1,020,000 the first year and \$1,020,000 the second year are for addressing public health concerns related to contaminants found in Minnesota drinking water for which no health-based drinking water standard exists.

(b) \$1,415,000 the first year and \$1,415,000 the second year are for protection of drinking water sources.

(c) \$250,000 the first year and \$250,000 the second year are for cost-share assistance to public and private well owners for up to 50 percent of the cost of sealing unused wells.

(d) \$303,000 the first year and \$365,000 the second year are to expand the county well index.

Sec. 9. **METROPOLITAN COUNCIL**

**\$500,000**

**\$500,000**

\$500,000 the first year and \$500,000 the second year are for implementation of the master water supply plan developed under Minnesota Statutes, section 473.1565.

Sec. 10. **LEGISLATURE**

**\$11,000**

**\$-0-**

\$11,000 the first year is for the Legislative Coordinating Commission for the costs of developing and implementing a Web site to contain information on projects receiving appropriations from the clean water fund and other constitutionally dedicated funds.

Sec. 11. **CARRYFORWARD**

(a) The appropriations in Laws 2009, chapter 172, article 2, section 4, paragraph (g), as amended by Laws 2010, chapter 361, article 2, section 2, are available until June 30, 2013, and may be spent to

continue research and testing on the potential for coal tar contamination of waters, on the study of treatment and disposal options, and for grants to local units of government.

(b) The appropriation in Laws 2010, chapter 361, article 2, section 4, subdivision 1, for nitrogen and nitrate water quality standards rulemaking is available until June 30, 2012.

(c) The appropriations in Laws 2009, chapter 172, article 2, section 4, paragraph (a), as amended by Laws 2010, chapter 361, article 2, section 2, for total maximum daily load (TMDL) study development and implementation are available until June 30, 2014.

(d) The appropriations in Laws 2009, chapter 172, article 2, section 2, paragraph (d), for research and pilot projects related to ways agricultural practices contribute to restoring impaired waters and assist with the development of TMDL plans, are available until spent.

Sec. 12. Minnesota Statutes 2010, section 114D.10, is amended to read:

#### **114D.10 LEGISLATIVE PURPOSE AND FINDINGS.**

Subdivision 1. **Purpose.** The purpose of the Clean Water Legacy Act is to protect, enhance, and restore,~~and preserve the~~ water quality of Minnesota's surface waters in lakes, rivers, and streams and to protect groundwater from degradation, by providing authority, direction, and resources to achieve and maintain water quality standards for groundwater and surface waters as, including the standards required by section 303(d) of the federal Clean Water Act, United States Code, title 33, section 1313(d), and other applicable state and federal regulations.

Subd. 2. **Findings.** The legislature finds that:

(1) there is a close link between protecting, enhancing, and restoring,~~and preserving~~ the quality of Minnesota's groundwater and surface waters and the ability to develop the state's economy, enhance its quality of life, and protect its human and natural resources;

(2) achieving the state's water quality goals will require long-term commitment and cooperation by all state and local agencies, and other public and private organizations and individuals, with responsibility and authority for water management, planning, and protection; and

(3) all persons and organizations whose activities affect the quality of waters, including point and nonpoint sources of pollution, have a responsibility to participate in and support efforts to achieve the state's water quality goals.

Sec. 13. Minnesota Statutes 2010, section 114D.20, subdivision 1, is amended to read:

Subdivision 1. **Coordination and cooperation.** In implementing this chapter, public agencies and private entities shall take into consideration the relevant provisions of local and other applicable water management, conservation, land use, land management, and development plans and programs. Public agencies with authority for local water management, conservation, land use, land management, and development plans shall take into consideration the manner in which their plans affect the implementation of this chapter. Public agencies shall identify opportunities to participate and assist in the successful implementation of this chapter, including the funding or technical assistance needs, if any, that may be necessary. In implementing this chapter, public agencies shall endeavor to engage the cooperation of organizations and individuals whose activities affect the quality of

groundwater or surface waters, including point and nonpoint sources of pollution, and who have authority and responsibility for water management, planning, and protection. To the extent practicable, public agencies shall endeavor to enter into formal and informal agreements and arrangements with federal agencies and departments to jointly utilize staff and educational, technical, and financial resources to deliver programs or conduct activities to achieve the intent of this chapter, including efforts under the federal Clean Water Act and other federal farm and soil and water conservation programs. Nothing in this chapter affects the application of silvicultural exemptions under any federal, state, or local law or requires silvicultural practices more stringent than those recommended in the timber harvesting and forest management guidelines adopted by the Minnesota Forest Resources Council under section 89A.05.

Sec. 14. Minnesota Statutes 2010, section 114D.20, subdivision 2, is amended to read:

Subd. 2. **Goals for implementation.** The following goals must guide the implementation of this chapter:

(1) to identify impaired waters in accordance with federal TMDL requirements within ten years after the effective date of this section and thereafter to ensure continuing evaluation of surface waters for impairments;

(2) to submit TMDL's to the United States Environmental Protection Agency for all impaired waters in a timely manner in accordance with federal TMDL requirements;

(3) to set a reasonable time for implementing restoration of each identified impaired water;

(4) to provide assistance and incentives to prevent waters from becoming impaired and to improve the quality of waters that are listed as impaired but do not have an approved TMDL addressing the impairment;

(5) to promptly seek the delisting of waters from the impaired waters list when those waters are shown to achieve the designated uses applicable to the waters; ~~and~~

(6) to achieve compliance with federal Clean Water Act requirements in Minnesota;

(7) to support effective measures to prevent the degradation of groundwater according to the groundwater degradation prevention goal under section 103H.001; and

(8) to support effective measures to restore degraded groundwater.

Sec. 15. Minnesota Statutes 2010, section 114D.20, subdivision 3, is amended to read:

Subd. 3. **Implementation policies.** The following policies must guide the implementation of this chapter:

(1) develop regional and watershed TMDL's and TMDL implementation plans, and TMDL's and TMDL implementation plans for multiple pollutants, where reasonable and feasible;

(2) maximize use of available organizational, technical, and financial resources to perform sampling, monitoring, and other activities to identify degraded groundwater and impaired waters, including use of citizen monitoring and citizen monitoring data used by the Pollution Control Agency in assessing water quality ~~must meet~~ that meets the requirements in Appendix D of the Volunteer Surface Water Monitoring Guide, Minnesota Pollution Control Agency (2003);

(3) maximize opportunities for restoration of degraded groundwater and impaired waters, by prioritizing and targeting of available programmatic, financial, and technical resources and by providing additional state resources to complement and leverage available resources;

(4) use existing regulatory authorities to achieve restoration for point and nonpoint sources of pollution where applicable, and promote the development and use of effective nonregulatory measures to address pollution sources for which regulations are not applicable;

(5) use restoration methods that have a demonstrated effectiveness in reducing impairments and provide the greatest long-term positive impact on water quality protection and improvement and related conservation benefits while incorporating innovative approaches on a case-by-case basis;

(6) identify for the legislature any innovative approaches that may strengthen or complement existing programs;

(7) identify and encourage implementation of measures to prevent surface waters from becoming impaired and to improve the quality of waters that are listed as impaired but have no approved TMDL addressing the impairment using the best available data and technology, and establish and report outcome-based performance measures that monitor the progress and effectiveness of protection and restoration measures; ~~and~~

(8) monitor and enforce cost-sharing contracts and impose monetary damages in an amount up to 150 percent of the financial assistance received for failure to comply; and

(9) identify and encourage implementation of measures to prevent groundwater from becoming degraded and measures that restore groundwater resources.

Sec. 16. Minnesota Statutes 2010, section 114D.20, subdivision 6, is amended to read:

Subd. 6. **Priorities for restoration of impaired waters.** In implementing restoration of impaired waters, in addition to the priority considerations in subdivision 5, the Clean Water Council shall give priority in its recommendations for restoration funding from the clean water ~~legacy account~~ fund to restoration projects that:

(1) coordinate with and utilize existing local authorities and infrastructure for implementation;

(2) can be implemented in whole or in part by providing support for existing or ongoing restoration efforts;

(3) most effectively leverage other sources of restoration funding, including federal, state, local, and private sources of funds;

(4) show a high potential for early restoration and delisting based upon scientific data developed through public agency or citizen monitoring or other means; and

(5) show a high potential for long-term water quality and related conservation benefits.

Sec. 17. Minnesota Statutes 2010, section 114D.20, subdivision 7, is amended to read:

Subd. 7. **Priorities for funding prevention actions.** The Clean Water Council shall apply the priorities applicable under subdivision 6, as far as practicable, when recommending priorities for funding actions to prevent groundwater and surface waters from becoming degraded or impaired and to improve the quality of surface waters that are listed as impaired but do not have an approved TMDL.

Sec. 18. Minnesota Statutes 2010, section 114D.30, is amended to read:

**114D.30 CLEAN WATER COUNCIL.**

Subdivision 1. **Creation; duties.** A Clean Water Council is created to advise on the administration and implementation of this chapter, and foster coordination and cooperation as described in section 114D.20, subdivision 1. The council may also advise on the development of appropriate processes for expert scientific review as described in section 114D.35, subdivision 2. The Pollution Control Agency shall provide administrative support for the council with the support of other member agencies. The members of the council shall elect a chair from the ~~nonagency~~ voting members of the council.

Subd. 2. **Membership; appointment.** (a) The commissioners of natural resources, agriculture, health, and the Pollution Control Agency, and the executive director of the Board of Water and Soil Resources shall each appoint one person from their respective agency to serve as a nonvoting member of the council. ~~Agency members serve as nonvoting members of the council.~~ Two members of the house of representatives, including one member from the majority party and one member from the minority party, appointed by the speaker and two senators, including one member from the majority party and one member from the minority party, appointed according to the rules of the senate shall serve at the pleasure of the appointing authority as nonvoting members of the council. Agency and legislative members appointed under this paragraph serve as nonvoting members of the council.

(b) ~~Nineteen additional nonagency voting~~ Nineteen members of the council shall be appointed by the governor as follows:

- (1) two members representing statewide farm organizations;
- (2) two members representing business organizations;
- (3) two members representing environmental organizations;
- (4) one member representing soil and water conservation districts;
- (5) one member representing watershed districts;
- (6) one member representing nonprofit organizations focused on improvement of Minnesota lakes or streams;
- (7) two members representing organizations of county governments, one member representing the interests of rural counties and one member representing the interests of counties in the seven-county metropolitan area;
- (8) two members representing organizations of city governments;
- (9) one member representing the Metropolitan Council established under section 473.123;
- (10) one member representing township officer officers;
- (11) one member representing the interests of tribal governments;
- (12) one member representing statewide hunting organizations;
- (13) one member representing the University of Minnesota or a Minnesota state university; and
- (14) one member representing statewide fishing organizations.

Members appointed under ~~clauses (1) to (14)~~ this paragraph must not be registered lobbyists or legislators. In making appointments, the governor must attempt to provide for geographic balance. The members of the council appointed by the governor are subject to the advice and consent of the senate.

Subd. 3. **Conflict of interest.** A Clean Water Council member may not participate in or vote on a decision of the council relating to an organization in which the member has either a direct or indirect personal financial interest. While serving on the Clean Water Council, a member shall avoid any potential conflict of interest.

Subd. 4. **Terms; compensation; removal.** ~~The initial terms of members representing state agencies and the Metropolitan Council expire on the first Monday in January 2007. Thereafter,~~ The terms of members representing the state agencies and the Metropolitan Council are four years and are coterminous with the governor. The terms of other nonlegislative members of the council shall be as provided in section 15.059, subdivision 2. Members may serve until their successors are appointed and qualify. Compensation and removal of nonlegislative council members is as provided in section 15.059, subdivisions 3 and 4. Compensation of legislative members is as determined by the appointing authority. A vacancy on the council may be filled by the appointing authority provided in subdivision 1 for the remainder of the unexpired term.

Subd. 5. **Implementation plan.** The Clean Water Council shall recommend a plan for implementation of this chapter and the provisions of article XI, section 15, of the Minnesota Constitution relating to clean water. The recommended plan shall address general procedures and time frames for implementing this chapter, and shall include a more specific implementation work plan for the next fiscal biennium and a framework for setting priorities to address impaired waters consistent with section 114D.20, subdivisions 2 to 7. The council shall issue ~~the first recommended plan under this subdivision by December 1, 2005, and shall issue~~ a revised plan by December 1 of each even-numbered year ~~thereafter.~~

Subd. 6. **Recommendations on appropriation of funds.** (a) The Clean Water Council shall recommend to the governor and the legislature the manner in which money from the clean water ~~legacy account~~ fund should be appropriated for the purposes ~~identified in section 114D.45, subdivision 3~~ stated in article XI, section 15, of the Minnesota Constitution and section 114D.50.

(b) The council's recommendations must:

(1) be to protect, enhance, and restore water quality in lakes, rivers, and streams and to protect groundwater from degradation and ensure that at least five percent of the clean water fund is spent only to protect drinking water sources;

(2) be consistent with the purposes, policies, goals, and priorities in sections 114D.05 to 114D.35, this chapter; and shall

(3) allocate adequate support and resources to identify degraded groundwater and impaired waters, develop TMDL's, implement restoration of groundwater and impaired waters, and provide assistance and incentives to prevent groundwater and surface waters from becoming degraded or impaired and improve the quality of surface waters which are listed as impaired but have no approved TMDL.

(c) The council must recommend methods of ensuring that awards of grants, loans, or other funds from the clean water ~~legacy account~~ fund specify the outcomes to be achieved as a result of the funding and specify standards to hold the recipient accountable for achieving the desired outcomes. Expenditures from the ~~account~~ fund must be appropriated by law.

Subd. 7. **Biennial report to legislature.** By December 1 of each even-numbered year, the council shall submit a report to the legislature on the activities for which money has been or will be spent for the current biennium, the activities for which money is recommended to be spent in the next biennium, and the impact on economic

development of the implementation of efforts to protect and restore groundwater and the impaired waters program. The report due on December 1, 2014, must include an evaluation of the progress made through June 30, 2014, in implementing this chapter and the provisions of article XI, section 15, of the Minnesota Constitution relating to clean water, the need for funding of future implementation ~~of those sections~~, and recommendations for the sources of funding.

Sec. 19. Minnesota Statutes 2010, section 114D.35, is amended to read:

**114D.35 PUBLIC AND STAKEHOLDER PARTICIPATION; SCIENTIFIC REVIEW; EDUCATION.**

Subdivision 1. **Public and stakeholder participation.** Public agencies and private entities involved in the implementation of this chapter shall encourage participation by the public and stakeholders, including local citizens, landowners and managers, and public and private organizations, in ~~the identification of~~ identifying impaired waters, in developing TMDL's, ~~and~~ in planning, priority setting, and implementing restoration of impaired waters, in identifying degraded groundwater, and in protecting and restoring groundwater resources. In particular, the Pollution Control Agency shall make reasonable efforts to provide timely information to the public and to stakeholders about impaired waters that have been identified by the agency. The agency shall seek broad and early public and stakeholder participation in scoping the activities necessary to develop a TMDL, including the scientific models, methods, and approaches to be used in TMDL development, and to implement restoration pursuant to section 114D.15, subdivision 7.

Subd. 2. **Expert scientific advice.** The Clean Water Council and public agencies and private entities shall make use of available public and private expertise from educational, research, and technical organizations, including the University of Minnesota and other higher education institutions, to provide appropriate independent expert advice on models, methods, and approaches used in identifying degraded ground water and impaired waters, developing TMDL's, and implementing prevention and restoration.

Subd. 3. **Education.** The Clean Water Council shall develop strategies for informing, educating, and encouraging the participation of citizens, stakeholders, and others regarding the identification of impaired waters, development of TMDL's, development of TMDL implementation plans, ~~and~~ implementation of restoration for impaired waters, identification of degraded groundwater, and protection and restoration of groundwater resources. Public agencies shall be responsible for implementing the strategies.

Sec. 20. **CIVIC ENGAGEMENT AND PUBLIC EDUCATION.**

A recipient of funds appropriated in this article shall incorporate civic engagement and public education when implementing projects and programs funded under this article.

Sec. 21. **REPEALER.**

Minnesota Statutes 2010, section 114D.45, is repealed.

ARTICLE 3  
PARKS AND TRAILS FUND

Section 1. **PARKS AND TRAILS FUND APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the parks and trails fund, or another named fund, and are available for the fiscal years indicated for each purpose. "The first year" is fiscal year 2012. "The second year" is fiscal year 2013. "The biennium" is fiscal years 2012 and 2013. Appropriations for the fiscal year ending June 30, 2012, are effective the day following final enactment. All appropriations in this article are onetime.



**APPROPRIATIONS**  
**Available for the Year**  
**Ending June 30**  
**2012**                      **2013**

Sec. 2. **PARKS AND TRAILS**

Subdivision 1. **Total Appropriation**

**\$38,635,000**

**\$38,630,000**

The amounts that may be spent for each purpose are specified in the following sections.

Subd. 2. **Availability of Appropriation**

Money appropriated in this article may not be spent on activities unless they are directly related to and necessary for a specific appropriation. Money appropriated in this article must not be spent on indirect costs or other institutional overhead charges that are not directly related to and necessary for a specific appropriation. Notwithstanding Minnesota Statutes, section 16A.28, and unless otherwise specified in this article, fiscal year 2012 appropriations are available until June 30, 2014, and fiscal year 2013 appropriations are available until June 30, 2015. If a project receives federal funds, the time period of the appropriation is extended to equal the availability of federal funding.

Sec. 3. **DEPARTMENT OF NATURAL RESOURCES**

**\$24,033,000**

**\$23,193,000**

(a) \$14,597,000 the first year and \$15,437,000 the second year are for state parks, recreation areas, and trails to:

(1) connect people to the outdoors;

(2) acquire land and create opportunities;

(3) maintain existing holdings, including developing and redeveloping facilities, and improving accessibility and energy efficiency; and

(4) improve cooperation by coordinating with partners to implement the 25-year long-range parks and trails legacy plan.

(b) \$2,100,000 the first year is for acquisition of land adjacent to LaSalle Lake in Hubbard County for a state recreation area. If the acquisition is not completed by July 15, 2012, or if a balance remains after the acquisition of the land, the money under this paragraph is available for acquisitions under paragraph (a), clause (2).

(c) \$7,298,000 the first year and \$7,718,000 the second year are for parks and trails of regional or statewide significance as follows:

(1) \$7,123,000 the first year and \$7,718,000 the second year are for grants under Minnesota Statutes, section 85.535, to acquire, develop, improve, and restore parks and trails of regional or statewide significance; and

(2) \$175,000 the first year is for a grant to the Greater Minnesota Regional Park and Trail Coalition to: define and develop information, including the number of users and potential users of greater Minnesota regional parks and trails; collect and compile details on the facilities within the greater Minnesota regional park system; and develop a plan for high priority park and trail acquisition and development opportunities. No local match is required for this grant.

Up to 2.5 percent of the total appropriation may be used for administering the grants.

(d) \$38,000 the first year and \$38,000 the second year are for a technical assistance panel to conduct up to ten restoration audits under Minnesota Statutes, section 85.53, subdivision 5.

(e) The commissioner shall contract for services with Conservation Corps Minnesota for restoration, maintenance, and other activities under this section for at least \$1,000,000 the first year and \$1,000,000 the second year.

(f) The commissioner of natural resources shall convene and facilitate a working group of nine members to develop recommendations for the allocation of the parks and trails fund. The working group shall have representatives from metropolitan parks and trails, greater Minnesota parks and trails, and the Department of Natural Resources Parks and Trails Division. The recommendations shall be submitted no later than November 15, 2012, and presented to the governor for consideration in the budget for fiscal years 2014 and 2015.

Sec. 4. **METROPOLITAN COUNCIL**

**\$14,597,000**

**\$15,437,000**

(a) \$14,597,000 the first year and \$15,437,000 the second year are to be distributed as required under Minnesota Statutes, section 85.53, subdivision 3.

(b) Grant agreements entered into by the Metropolitan Council and recipients of money appropriated under this section shall ensure that the funds are used to supplement and not substitute for traditional sources of funding.

Sec. 5. **LEGISLATURE**

**\$5,000**

**\$-0-**

\$5,000 the first year is for the Legislative Coordinating Commission for the costs of developing and implementing a Web site to contain information on projects receiving appropriations from the parks and trails fund and other constitutionally dedicated funds.

Sec. 6. Minnesota Statutes 2010, section 85.013, is amended by adding a subdivision to read:

Subd. 15a. LaSalle Lake State Recreation Area, Hubbard County.

Sec. 7. **LASALLE LAKE STATE RECREATION AREA.**

Subdivision 1. **LaSalle Lake State Recreation Area, Hubbard County.** The LaSalle Lake State Recreation Area is established in Hubbard County.

Subd. 2. **Boundaries.** The following described lands are located within the boundaries of the LaSalle Lake State Recreation Area, all in Hubbard County:

(1) the Southwest Quarter of the Southwest Quarter and the Northwest Quarter of the Southwest Quarter, except the East 10 acres thereof, of Section 29; the Northeast Quarter of the Northeast Quarter, the Northwest Quarter of the Northeast Quarter, the Southwest Quarter of the Northeast Quarter, the Northeast Quarter of the Southwest Quarter, the Southeast Quarter of the Northwest Quarter, the Southeast Quarter of the Northeast Quarter, and Government Lots 2, 3, 4, 5, 6, 7, 8, and 9, of Section 30; Government Lots 1, 2, 5, 6, 7, 8, 9, and 10, of Section 31; and Government Lots 1 and 4 of Section 32; all in Township 145 North, Range 35 West; and

(2) Government Lot 12, Section 19, Township 145 North, Range 35.

Subd. 3. **Administration.** The commissioner of natural resources shall administer the area according to Minnesota Statutes, section 86A.05, subdivision 3, subject to existing rules and regulations for state recreation areas. LaSalle Lake State Recreation Area shall be administered as a satellite unit of Itasca State Park.

ARTICLE 4  
ARTS AND CULTURAL HERITAGE FUND

Section 1. **ARTS AND CULTURAL HERITAGE FUND APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the entities and for the purposes specified in this article. The appropriations are from the arts and cultural heritage fund, and are available for the fiscal years indicated for allowable activities under the Minnesota Constitution, article XI, section 15. "The first year" is fiscal year 2012. "The second year" is fiscal year 2013. "The biennium" is fiscal years 2012 and 2013. All appropriations in this article are onetime.

<b><u>APPROPRIATIONS</u></b>	
<b><u>Available for the Year</u></b>	
<b><u>Ending June 30</u></b>	
<b><u>2012</u></b>	<b><u>2013</u></b>

Sec. 2. **ARTS AND CULTURAL HERITAGE**

Subdivision 1. **Total Appropriation**

**\$51,610,000**

**\$50,604,000**

The amounts that may be spent for each purpose are specified in the following subdivisions.

**Subd. 2. Availability of Appropriation**

Money appropriated in this article may not be spent on activities unless they are directly related to and necessary for a specific appropriation. Money appropriated in this article must not be spent on indirect costs or other institutional overhead charges that are not directly related to and necessary for a specific appropriation. Notwithstanding Minnesota Statutes, section 16A.28, and unless otherwise specified in this article, fiscal year 2012 appropriations are available until June 30, 2013, and fiscal year 2013 appropriations are available until June 30, 2014. If a project receives federal funds, the time period of the appropriation is extended to equal the availability of federal funding.

**Subd. 3. Minnesota State Arts Board**21,664,00021,664,000

These amounts are appropriated to the Minnesota State Arts Board for arts, arts education, and arts access. Grant agreements entered into by the Minnesota State Arts Board and other recipients of appropriations in this subdivision shall ensure that these funds are used to supplement and not substitute for traditional sources of funding. Appropriations made directly to the Minnesota State Arts Board shall supplement, and shall not substitute for, traditional sources of funding. Each grant program established within this appropriation shall be separately administered from other state appropriations for program planning and outcome measurements, but may take into consideration other state resources awarded in the selection of applicants and grant award size.

**Arts and Arts Access Initiatives.** \$16,500,000 the first year and \$16,500,000 the second year are to support Minnesota artists and arts organizations in creating, producing, and presenting high-quality arts activities; to overcome barriers to accessing high-quality arts activities; and to instill the arts into the community and public life in this state.

A portion of these funds may be used to:

(1) pay attendance fees and travel costs for youth to visit art museums, arts performances, or other arts activities; or

(2) bring artists to schools, libraries, or other community centers or organizations for teaching, training, or performance purposes.

**Arts Education.** \$3,450,000 the first year and \$3,450,000 the second year are for high-quality, age-appropriate arts education for Minnesotans of all ages to develop knowledge, skills, and understanding of the arts.

A portion of this appropriation may be used for grants to school districts to provide materials or resources to teachers, students, and parents to promote achievement of K-12 academic standards in the arts.

**Arts and Cultural Heritage.** \$1,080,000 the first year and \$1,080,000 the second year are for events and activities that represent the diverse ethnic and cultural arts traditions, including folk and traditional artists and art organizations, represented in this state.

**Administration, Fiscal Oversight, and Accountability.** \$634,000 the first year and \$634,000 the second year are for administration of grant programs, delivering technical services, providing fiscal oversight for the statewide system, and ensuring accountability for these state resources.

**Census.** The Minnesota State Arts Board, in partnership with regional arts councils, shall maintain a census of Minnesota artists and artistic organizations.

Thirty percent of the total appropriated to each of the categories established in this subdivision is for grants to the regional arts councils. This percentage does not apply to administrative costs.

**Subd. 4. Department of Education**

3,455,000

3,455,000

These amounts are appropriated to the commissioner of education for grants allocated using existing formulas under Minnesota Statutes, section 134.355, to the 12 Minnesota regional library systems, to provide educational opportunities in the arts, history, literary arts, and cultural heritage of Minnesota. These funds may be used to sponsor programs provided by regional libraries or to provide grants to local arts and cultural heritage programs for programs in partnership with regional libraries.

**Subd. 5. Minnesota Historical Society**

12,250,000

12,250,000

These amounts are appropriated to the governing board of the Minnesota Historical Society to preserve and enhance access to Minnesota's history and its cultural and historical resources. Grant agreements entered into by the Minnesota Historical Society and other recipients of appropriations in this subdivision shall ensure that these funds are used to supplement and not substitute for traditional sources of funding. Funds directly appropriated to the Minnesota Historical Society shall be used to supplement, and not substitute for, traditional sources of funding. Notwithstanding Minnesota Statutes, section 16A.28, for historic preservation projects that improve historic structures, the amounts are available until June 30, 2015.

**Statewide Historic and Cultural Grants.** \$5,250,000 the first year and \$5,250,000 the second year are for history programs and projects operated or conducted by or through local, county, regional, or other historical or cultural organizations; or for activities to preserve significant historic and cultural resources.

Funds are to be distributed through a competitive grants process. The Minnesota Historical Society shall administer these funds using established grants mechanisms, with assistance from the advisory committee created under Laws 2009, chapter 172, article 4, section 2, subdivision 4, paragraph (b), item (ii).

**Programs.** \$5,000,000 the first year and \$5,000,000 the second year are for programs and purposes related to the historical and cultural heritage of the state of Minnesota, conducted by the Minnesota Historical Society.

**History Partnerships.** \$1,500,000 the first year and \$1,500,000 the second year are for partnerships involving multiple organizations, which may include the Minnesota Historical Society, to preserve and enhance access to Minnesota's history and cultural heritage in all regions of the state.

**Statewide Survey of Historical and Archaeological Sites.** \$250,000 the first year and \$250,000 the second year are for a contract or contracts to be let on a competitive basis to conduct statewide surveys of Minnesota's sites of historical, archaeological, and cultural significance. Results of this survey must be published in a searchable form, available to the public on a cost-free basis. The Minnesota Historical Society, the Office of the State Archaeologist, and the Indian Affairs Council shall each appoint a representative to an oversight board to select contractors and direct the conduct of these surveys. The oversight board shall consult with the Departments of Transportation and Natural Resources.

**Digital Library.** \$250,000 the first year and \$250,000 the second year are for a digital library project to preserve, digitize, and share Minnesota images, documents, and historical materials. The Minnesota Historical Society shall cooperate with the Minitex interlibrary loan system and shall jointly share this appropriation for these purposes.

Subd. 6. **Department of Administration**

9,460,000

8,460,000

These amounts are appropriated to the commissioner of administration for grants to the named organizations for the purposes specified in this subdivision. Up to one percent of funds may be used by the commissioner for grants administration.

Grant agreements entered into by the commissioner and recipients of appropriations in this subdivision must ensure that money appropriated in this subdivision is used to supplement and not substitute for traditional sources of funding.

**Public Television.** \$3,900,000 the first year and \$3,900,000 the second year are for grants to the Minnesota Public Television Association for production and acquisition grants according to Minnesota Statutes, section 129D.18. This appropriation is available until spent.

**Minnesota Public Radio.** \$1,000,000 the first year and \$1,000,000 the second year are for grants to Minnesota Public Radio to create new programming and events, expand regional news service, amplify Minnesota culture to a regional and national audience, and document Minnesota's history through the Minnesota Audio Archives. This appropriation is available until spent.

**Association of Minnesota Public Educational Radio Stations.** \$1,500,000 the first year and \$1,500,000 the second year are for grants to the Association of Minnesota Public Educational Radio Stations for production and acquisition grants according to Minnesota Statutes, section 129D.19. This appropriation is available until spent.

**Zoos.** \$400,000 the first year and \$400,000 the second year are for grants of \$200,000 each year to the Como Park Zoo and the Lake Superior Zoo for programmatic development.

**Children's Museums.** \$1,000,000 the first year and \$1,000,000 the second year are for grants of \$250,000 each year to each of the following entities: the Minnesota Children's Museum, the Duluth Children's Museum, the Children's Discovery Museum of Grand Rapids, and the Children's Museum of Southern Minnesota. These amounts are for arts, arts education, and arts access and to preserve Minnesota's history and cultural heritage.

**Science Museum of Minnesota.** \$500,000 the first year and \$500,000 the second year are for grants to the Science Museum of Minnesota. These amounts are for arts, arts education, and arts access and to preserve Minnesota's history and cultural heritage.

**Minnesota Film and TV Board.** \$160,000 the first year and \$160,000 the second year are for grants to the Minnesota Film and TV Board for grants to Minnesota filmmakers to create film or television productions that illuminate Minnesota arts, history, or cultural heritage.

**Veterans Camps.** \$450,000 the first year is for grants of \$400,000 to the Disabled Veterans Rest Camp located on Big Marine Lake in Washington County and \$50,000 to the Veterans on the Lake Resort located on Fall Lake in St. Louis County.

**State Capitol Preservation Commission.** \$550,000 the first year is for the purposes of Minnesota Statutes, section 16B.2405. This appropriation is available until spent.

**Subd. 7. Minnesota Zoological Garden**

700,000

700,000

These amounts are appropriated to the Minnesota Zoological Board for programmatic development of the Minnesota Zoo.

**Subd. 8. Minnesota Humanities Center**1,075,0001,075,000

These amounts are appropriated to the board of directors of the Minnesota Humanities Center for the purposes specified in this subdivision.

**Programs and Purposes.** \$325,000 the first year and \$325,000 the second year are for programs and purposes of the Minnesota Humanities Center.

The Minnesota Humanities Center may consider museums and organizations celebrating the ethnic identities of Minnesotans for grants from these funds. The Minnesota Humanities Center may develop a written plan for the competitive issuance of these grants and, if developed, shall submit that plan for review and approval by the Department of Administration.

**Councils of Color.** \$500,000 the first year and \$500,000 the second year are for competitive grants to the Council on Asian Pacific Minnesotans, the Council on Black Minnesotans, the Indian Affairs Council, and the Chicano Latino Affairs Council. Grants are for programs and cooperation between the Minnesota Humanities Center and the grant recipients for community events and programs that celebrate and preserve artistic, historical, and cultural heritage.

**Civics Education.** \$250,000 the first year and \$250,000 the second year are for grants to the following organizations to conduct civics education programs for the civic and cultural development of Minnesota youth: \$113,000 each year to the Learning Law and Democracy Foundation, \$106,000 each year to Kids Voting Minnesota, and \$31,000 each year to YMCA Youth in Government.

**Subd. 9. Perpich Center For Arts Education**725,000725,000

These amounts are appropriated to the board of directors of the Perpich Center for Arts Education for arts, arts education, and arts access and to preserve Minnesota's history and cultural heritage.

Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2013, as grants or contracts in this subdivision are available until June 30, 2015.

**Subd. 10. Department of Agriculture**1,400,0001,400,000

These amounts are appropriated to the commissioner of agriculture for grants to county agricultural societies to enhance arts access and education and to preserve and promote Minnesota's history and cultural heritage as embodied in its county fairs. The grants shall be in addition to the aid distributed to county agricultural societies under Minnesota Statutes, section 38.02. The commissioner shall award grants as follows:



(1) \$350,000 each year, distributed in equal amounts to each of the state's county fairs to enhance arts access and education and to preserve and promote Minnesota's history and cultural heritage;

(2) \$694,000 each year, distributed as competitive grants for the development or enhancement of county fair facilities that provide access to the arts, arts education, or agricultural, historical, and cultural heritage programs, including but not limited to agricultural education centers, arts buildings, and performance stages;

(3) \$178,000 each year, distributed as competitive grants for specific county fair projects and events that provide access to the arts or the state's agricultural, historical, and cultural heritage; and

(4) \$178,000 each year, distributed as competitive grants for specific arts, cultural, or historical programs at county fairs.

**Subd. 11. Indian Affairs Council**

875,000

875,000

These amounts are appropriated to the Indian Affairs Council for the purposes identified in this subdivision.

**Language Working Group.** \$75,000 the first year and \$75,000 the second year are for continuation of the Working Group on Dakota and Ojibwe Language Revitalization and Preservation established under Laws 2009, chapter 172, article 4, section 9.

**Language Preservation and Education.** \$550,000 the first year and \$550,000 the second year are for grants for programs that preserve Dakota and Ojibwe Indian languages and to foster educational programs in Dakota and Ojibwe languages.

**Language Immersion.** \$250,000 the first year and \$250,000 the second year are for grants of \$125,000 each year to the Niigaane Ojibwe Immersion School and the Wicoie Nandagikendan Urban Immersion Project to:

- (1) develop and expand K-12 curriculum;
- (2) provide fluent speakers in the classroom;
- (3) develop appropriate testing and evaluation procedures; and
- (4) develop community-based training and engagement.

**Subd. 12. Legislature**

6,000

0

These amounts are appropriated to the Legislative Coordinating Commission to operate the Web site for dedicated funds required under Minnesota Statutes, section 3.303, subdivision 10.

Sec. 3. **[15B.32] STATE CAPITOL PRESERVATION COMMISSION.**

Subdivision 1. Definitions. (a) As used in this section, the terms defined in this subdivision have the following meanings.

(b) "Commission" means the State Capitol Preservation Commission created under this section.

(c) "Capitol Area" means the geographic area defined in section 15B.02.

(d) "Board" means the Capitol Area Architectural and Planning Board created under section 15B.03.

(e) "Predesign" has the meaning given in section 16B.335, subdivision 3, paragraph (a).

Subd. 2. Membership. The State Capitol Preservation Commission consists of 22 members, appointed as follows:

(1) the governor;

(2) the lieutenant governor;

(3) the attorney general;

(4) the chief justice of the Supreme Court, or the chief justice's designee, who shall be a member of the Supreme Court;

(5) the majority leader of the senate or the majority leader's designee, who shall be a member of the senate;

(6) the speaker of the house or the speaker's designee, who shall be a member of the house of representatives;

(7) two members of the senate, including one member from the majority party appointed by the majority leader and one member from the minority party appointed by the minority leader;

(8) two members of the house of representatives, including one member appointed by the speaker of the house and one member from the minority party appointed by the minority leader;

(9) the chair and ranking minority member of the house of representatives committee with jurisdiction over capital investment and the chair and ranking minority member of the senate committee with jurisdiction over capital investment;

(10) the commissioner of administration or the commissioner's designee;

(11) the commissioner of public safety or the commissioner's designee;

(12) the executive director of the Minnesota Historical Society or the executive director's designee;

(13) the executive secretary of the Capitol Area Architectural and Planning Board; and

(14) four public members appointed by the governor.

Subd. 3. Terms and compensation. (a) A member serving on the commission because the member or the appointing authority for the member holds an elected or appointed office shall serve on the commission as long as the member or the appointing authority holds the office.

(b) Public members of the commission shall serve two-year terms. The public members may not serve for more than three consecutive terms.

(c) The removal of members and filling of vacancies on the commission are as provided in section 15.059. Public members may receive compensation and expenses as provided under section 15.059, subdivision 3.

Subd. 4. **Officers and meetings.** (a) The governor is the chair of the commission. The lieutenant governor is the vice-chair of the commission and may act as the chair of the commission in the absence of the governor. The governor may designate a staff member to attend commission meetings and vote on the governor's behalf in the absence of the governor.

(b) The commission shall meet at least quarterly and at other times at the call of the chair. Meetings of the commission are subject to chapter 13D.

Subd. 5. **Administrative support.** The commission may designate an executive secretary and obtain administrative support through a contract with a state agency or other means.

Subd. 6. **Duties.** (a) The commission:

(1) shall exercise ongoing coordination of the restoration and preservation of the Capitol building;

(2) shall consult with and advise the commissioner of administration, the board, and the Minnesota Historical Society regarding their applicable statutory responsibilities for and in the Capitol building;

(3) may assist in the selection of an architectural firm to assist in the preparation of the predesign plan for the restoration of the Capitol building;

(4) shall develop a comprehensive, multiyear, predesign plan for the restoration of the Capitol building, review the plan periodically, and, as appropriate, amend and modify the plan. The predesign plan shall identify appropriate and required functions of the Capitol building; identify and address space requirements for legislative, executive, and judicial branch functions; and identify and address the long-term maintenance and preservation requirements of the Capitol building. In developing the predesign plan, the commission shall take into account the comprehensive plan for the Minnesota State Capitol Area, as amended in 2010, the rules governing zoning and design for the Capitol Area, parking, mass transit, citizen access, the tunnel system, information technology needs, energy efficiency, security, educational programs, including public and school tours, and any additional space needs for the efficient operation of state government;

(5) shall develop and implement a comprehensive financial plan to fund the preservation and restoration of the Capitol building;

(6) shall provide annual reports about the condition of the Capitol building and its needs, as well as all activities related to the restoration of the Capitol building; and

(7) may solicit gifts, grants, or donations of any kind from any private or public source to carry out the purposes of this section. All gifts, grants, or donations received by the commission shall be deposited in a State Capitol preservation account established in the special revenue fund. Money in the account is appropriated to the commissioner of administration for the activities of the commission and implementation of the predesign plan under this section.

(b) By January 15 of each year, the commission shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over the commission regarding the activities and efforts of the commission in the preceding calendar year, including recommendations adopted by the commission, the comprehensive financial plan required under paragraph (a), clause (5), and any proposed draft legislation necessary to implement the recommendations of the commission.

Subd. 7. **Expiration.** Notwithstanding section 15.059, subdivision 5, the State Capitol Preservation Commission does not expire.

**Sec. 4. [15B.34] CAPITOL BUILDING POWERS AND DUTIES.**

The board shall:

(1) jointly, with the commissioner of administration and the Minnesota Historical Society, establish standards and policies for the repair, furnishing, appearance, and cleanliness of and change to the public and ceremonial areas of the Capitol building;

(2) review and approve plans and specifications and any changes to approved plans and specifications involving the alteration of the public and ceremonial areas and the exterior of the Capitol building;

(3) jointly, with the Minnesota Historical Society, review and approve the design, structural composition, and location of all monuments, memorials, or works of art presently located in the public and ceremonial areas of the State Capitol, or which shall be placed in the public or ceremonial areas, according to section 138.68; and

(4) assist the State Capitol Preservation Commission with performance of its duties as needed.

**Sec. 5. [16B.2405] CAPITOL BUILDING POWERS AND DUTIES.**

The commissioner, upon receipt of funding for these purposes, shall:

(1) maintain and operate the Capitol building and grounds according to section 16B.24 and other applicable law;

(2) designate a project manager to oversee and manage predesign, design, and construction contracts and funding for all modifications to the Capitol building;

(3) manage design and construction projects and funding for the Capitol building according to section 16B.31 and other applicable law;

(4) lease space in the Capitol building, as provided in section 16B.24, to state agencies, constitutional officers, and the court administrator on behalf of the judicial branch and allocate space in the Capitol building to the legislative branch as determined by the commission;

(5) provide information about the Capitol building to the commission, legislative bodies, and others as needed regarding maintenance, operation, leasing, condition assessments, design, and construction projects; and

(6) assist the State Capitol Preservation Commission with performance of its duties as needed.

Sec. 6. Minnesota Statutes 2010, section 129D.18, subdivision 3, is amended to read:

Subd. 3. **Conditions.** (a) A public station receiving funds appropriated under this section must:

(1) make programs produced with these funds available for broadcast to all other public stations eligible to receive grants under this section;

(2) offer free ~~public performance rights for~~ classroom use of programs produced with these funds to public educational institutions, excluding those materials for which public television stations do not have rights to distribute;

(3) archive programs produced with these funds and make the programs available for future use through encore broadcast or other distribution, including online; and

(4) ensure that underwriting credit is given to the Minnesota arts and cultural heritage fund.

(b) Programs produced in partnership with other mission-centered nonprofit organizations may be used by the partnering organization for their own educational or promotional purposes.

Sec. 7. Minnesota Statutes 2010, section 129D.18, subdivision 4, is amended to read:

Subd. 4. **Reporting.** A public station receiving funds appropriated under this section must report annually by January 15 to the commissioner, the Legislative Coordinating Commission, and the chairs and ranking minority members of the senate and house of representatives committees and divisions having jurisdiction over arts and cultural heritage policy and finance regarding how the previous year's grant funds were expended. This In addition to all information required of each recipient of money from the arts and cultural heritage fund under section 3.303, subdivision 10, the report must contain specific information for each program produced and broadcast, including the cost of production, the number of stations broadcasting the program, estimated viewership, the number of hours of legacy program content available for streaming on Web site downloads sites, and other related measures. If the programs produced include educational material, the public station must report on these efforts.

Sec. 8. Minnesota Statutes 2010, section 129D.19, subdivision 5, is amended to read:

Subd. 5. **Reporting.** A noncommercial radio station receiving funds appropriated under this section must report annually by January 15 to the commissioner, the Legislative Coordinating Commission, and the chairs and ranking minority members of the senate and house of representatives committees and divisions having jurisdiction over arts and cultural heritage policy and finance regarding how the previous year's grant funds were expended. This In addition to all information required of each recipient of money from the arts and cultural heritage fund under section 3.303, subdivision 10, the report must contain specific information for each program produced and broadcast, including the cost of production, the number of stations broadcasting the program, estimated number of listeners, and other related measures. If the programs produced include educational material, the noncommercial radio station must report on these efforts.

Sec. 9. **[138.70] CAPITOL BUILDING POWERS AND DUTIES.**

The Minnesota Historical Society shall:

(1) assist and advise in research and preservation of historical features of the Capitol building, appropriate custodial policies, and maintaining and repairing works of art according to section 138.69;

(2) jointly, with the Capitol Area Architectural and Planning Board, review and approve the design, structural composition, and location of all monuments, memorials, or works of art presently located in the public and ceremonial areas of the Capitol building, or proposed for placement in the public or ceremonial areas, according to section 138.68;

(3) assist with planning and design of restoration and renovations of the Capitol building, in order to provide public access and education through public interpretive programs, according to the society's statutory responsibilities under section 138.69; and

(4) assist the State Capitol Preservation Commission with performance of its duties as needed.

Sec. 10. Laws 2009, chapter 172, article 4, section 9, subdivision 5, is amended to read:

Subd. 5. **Report.** The working group must report its findings and recommendations, including draft legislation, if necessary, to the Indian Affairs Council and the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over early childhood through grade 12 education ~~and~~ higher education, and arts and cultural heritage policy or finance by February 15, 2011, and again by February 15, 2012. The ~~committee~~ working group expires on February 16, ~~2011~~ 2013.

Sec. 11. **STATE CAPITOL PRESERVATION COMMISSION APPOINTMENTS AND FIRST MEETING.**

The appointing authorities designated in Minnesota Statutes, section 15B.32, subdivision 2, must complete their initial appointments to the commission no later than August 1, 2011. The governor, or the governor's designee, shall convene the first meeting of the commission within 30 days after the appointments required under this section have been completed.

#### ARTICLE 5 GENERAL PROVISIONS; ALL LEGACY FUNDS

Section 1. Minnesota Statutes 2010, section 3.303, subdivision 10, is amended to read:

Subd. 10. **Constitutionally dedicated funding accountability.** (a) The Legislative Coordinating Commission shall develop and maintain a user-friendly, public-oriented Web site that informs, educates, and demonstrates to the public how the constitutionally dedicated funds in the arts and cultural heritage fund, outdoor heritage fund, clean water fund, parks and trails fund, and environment and natural resources trust fund are being expended to meet the requirements established for each fund in the state constitution. Information provided on the Web site must include, but is not limited to:

(1) information on all project proposals received by the Outdoor Heritage Council and the Legislative-Citizen Commission on Minnesota Resources;

(2) information on all projects receiving funding, including:

(i) the name of the project and a project description;

(ii) the name, telephone number, members of the board or equivalent governing body, and e-mail address of the funding recipient and, when applicable, the Web site address where the public can directly access detailed information on the recipient's receipt and use of money for the project;

(iii) the amount and source of funding, including the fiscal year of the appropriation;

(iv) the amount and source of any additional funding or leverage;

(v) the duration of the project;

(vi) the number of full-time equivalents funded under the project. For the purposes of this item, "full-time equivalent" means a position directly attributed to the receipt of money from one or more of the funds covered under this section, calculated as the total number of hours planned for the position divided by 2,088;

(vii) the direct expenses and administration costs of the project;

(viii) proposed measurable outcomes and the plan for measuring and evaluating the results;

(ix) for pass-through, noncompetitive grants, the entity acting as the fiscal agent or administering agency and a point of contact for additional information; and

(x) for competitive grants, the name and a brief description of the qualifications of all board members or members of an equivalent governing body ultimately responsible for awarding the grants, as well as any grantmaking advisory group. In addition, an entity that awards competitive grants, including but not limited to a state agency or any statewide, regional, or local organization, must report whether an employee, decision maker, advisory group member, or other person involved in the grant process disclosed a conflict of interest or potential conflict of interest. If the entity reports that a conflict of interest or potential conflict of interest was disclosed, the entity must provide the Legislative Coordinating Commission with a contact person for additional information and the Legislative Coordinating Commission must post this information on the Web site. An entity that awards competitive grants must obtain and apply the conflict of interest policies developed by the commissioner of administration under section 16B.98, subdivision 3, unless the entity maintains and applies its own documented conflict of interest policies which are substantially similar to the commissioner of administration's policies;

(3) actual measured outcomes and evaluation of projects as required under sections 85.53, subdivision 2; 114D.50, subdivision 2 4; and 129D.17, subdivision 2;

(4) education about the areas and issues the projects address, including, when feasible, maps of where projects have been undertaken;

(5) all frameworks developed for future uses of each fund; and

(6) methods by which members of the public may apply for project funds under any of the constitutionally dedicated funds.

(b) As soon as practicable or by the deadline specified in the enabling law, whichever comes first, a state agency or other recipient of a direct appropriation from a fund covered under this section shall submit the information required under paragraph (a) and, when applicable, compile and submit the same information for any grant recipient or other subrecipient of funding. All information for proposed and funded projects, including the proposed measurable outcomes, must be made available on the Web site as soon as practicable. Information on the measured outcomes and evaluation must be posted as soon as it becomes available. The costs of these activities shall be paid out of the arts and cultural heritage fund, outdoor heritage fund, clean water fund, parks and trails fund, and the environment and natural resources trust fund proportionately. For purposes of this section, "measurable outcomes" means outcomes, indicators, or other performance measures that may be quantified or otherwise measured in order to measure the effectiveness of a project or program in meeting its intended goal or purpose.

(c) The Legislative Coordinating Commission shall be responsible for receiving all ten-year plans and 25-year frameworks for each of the constitutionally dedicated funds. To the extent practicable, staff for the commission shall provide assistance and oversight to these planning efforts and shall coordinate public access to hearings and public meetings for all planning efforts.

Sec. 2. Minnesota Statutes 2010, section 85.53, subdivision 2, is amended to read:

Subd. 2. **Expenditures; accountability.** (a) A project or program receiving funding from the parks and trails fund must meet or exceed the constitutional requirement to support parks and trails of regional or statewide significance. A project or program receiving funding from the parks and trails fund must include measurable outcomes, as defined in section 3.303, subdivision 10, and a plan for measuring and evaluating the results. A project or program must be consistent with current science and incorporate state-of-the-art technology, except when the project or program is a portrayal or restoration of historical significance.

(b) Money from the parks and trails fund shall be expended to balance the benefits across all regions and residents of the state.

(c) ~~All~~ A state agency or other recipient of a direct appropriation from the parks and trails fund must compile and submit all information for funded projects or programs, including the proposed measurable outcomes and all other items required under section 3.303, subdivision 10, must be made available on to the Legislative Coordinating Commission as soon as practicable or by the deadline specified in the enabling law, whichever comes first. The Legislative Coordinating Commission must post submitted information on the Web site required under section 3.303, subdivision 10, as soon as practicable. Information on the measured outcomes and evaluation must be posted as soon as it becomes available.

(d) Grants funded by the parks and trails fund must be implemented according to section 16B.98 and must account for all expenditures. Proposals must specify a process for any regranting envisioned. Priority for grant proposals must be given to proposals involving grants that will be competitively awarded.

(e) Money from the parks and trails fund may only be spent on projects located in Minnesota.

(f) A state agency or other recipient of money from the parks and trails fund shall prominently display on the state agency's or other recipient's Web site home page, when applicable, the legacy logo required under Laws 2009, chapter 172, article 5, section 10, as amended by Laws 2010, chapter 361, article 3, section 5, accompanied by the phrase "Click here for more information." When a person clicks on the legacy logo image, the Web site must direct the person to a dedicated legacy page on the state agency's or other recipient's Web site. The dedicated legacy page must prominently display both the contact information for the state agency or other recipient that a person may use to obtain additional information, as well as a link to the Legislative Coordinating Commission Web site required under section 3.303, subdivision 10.

(g) Future eligibility for money from the parks and trails fund is contingent upon a state agency or other recipient satisfying all applicable requirements in this section, as well as any additional requirements contained in applicable session law.

Sec. 3. Minnesota Statutes 2010, section 97A.056, is amended by adding a subdivision to read:

**Subd. 12. Recipient requirements.** (a) A state agency or other recipient of a direct appropriation from the outdoor heritage fund must compile and submit all information for funded projects or programs, including the proposed measurable outcomes and all other items required under section 3.303, subdivision 10, to the Legislative Coordinating Commission as soon as practicable or by the deadline specified in the enabling law, whichever comes first. The Legislative Coordinating Commission must post submitted information on the Web site required under section 3.303, subdivision 10, as soon as it becomes available.

(b) A state agency or other recipient of money from the outdoor heritage fund shall prominently display on the state agency's or other recipient's Web site home page, when applicable, the legacy logo required under Laws 2009, chapter 172, article 5, section 10, as amended by Laws 2010, chapter 361, article 3, section 5, accompanied by the phrase "Click here for more information." When a person clicks on the legacy logo image, the Web site must direct the person to a dedicated legacy page on the state agency's or other recipient's Web site. The dedicated legacy page must prominently display both the contact information for the state agency or other recipient that a person may use to obtain additional information, as well as a link to the Legislative Coordinating Commission Web site required under section 3.303, subdivision 10.

(c) Future eligibility for money from the outdoor heritage fund is contingent upon a state agency or other recipient satisfying all applicable requirements in this section, as well as any additional requirements contained in applicable session law.



Sec. 4. Minnesota Statutes 2010, section 114D.50, subdivision 4, is amended to read:

Subd. 4. **Expenditures; accountability.** (a) A project receiving funding from the clean water fund must meet or exceed the constitutional requirements to protect, enhance, and restore water quality in lakes, rivers, and streams and to protect groundwater and drinking water from degradation. Priority may be given to projects that meet more than one of these requirements. A project receiving funding from the clean water fund shall include measurable outcomes, as defined in section 3.303, subdivision 10, and a plan for measuring and evaluating the results. A project must be consistent with current science and incorporate state-of-the-art technology.

(b) Money from the clean water fund shall be expended to balance the benefits across all regions and residents of the state.

(c) ~~All~~ A state agency or other recipient of a direct appropriation from the clean water fund must compile and submit all information for proposed and funded projects or programs, including the proposed measurable outcomes, must be made available on the Web site and all other items required under section 3.303, subdivision 10, to the Legislative Coordinating Commission as soon as practicable or by the deadline specified in the enabling law, whichever comes first. Information on the measured outcomes and evaluation must be posted. The Legislative Coordinating Commission must post submitted information on the Web site required under section 3.303, subdivision 10, as soon as it becomes available. Information classified as not public under section 13D.05, subdivision 3, paragraph (d), is not required to be placed on the Web site.

(d) Grants funded by the clean water fund must be implemented according to section 16B.98 and must account for all expenditures. Proposals must specify a process for any regranting envisioned. Priority for grant proposals must be given to proposals involving grants that will be competitively awarded.

(e) Money from the clean water fund may only be spent on projects that benefit Minnesota waters.

(f) A state agency or other recipient of money from the clean water fund shall prominently display on the state agency's or other recipient's Web site home page, when applicable, the legacy logo required under Laws 2009, chapter 172, article 5, section 10, as amended by Laws 2010, chapter 361, article 3, section 5, accompanied by the phrase "Click here for more information." When a person clicks on the legacy logo image, the Web site must direct the person to a dedicated legacy page on the state agency's or other recipient's Web site. The dedicated legacy page must prominently display both the contact information for the state agency or other recipient that a person may use to obtain additional information, as well as a link to the Legislative Coordinating Commission Web site required under section 3.303, subdivision 10.

(g) Future eligibility for money from the clean water fund is contingent upon a state agency or other recipient satisfying all applicable requirements in this section, as well as any additional requirements contained in applicable session law.

Sec. 5. Minnesota Statutes 2010, section 129D.17, subdivision 2, is amended to read:

Subd. 2. **Expenditures; accountability.** (a) Funding from the arts and cultural heritage fund may be spent only for arts, arts education, and arts access, and to preserve Minnesota's history and cultural heritage. A project or program receiving funding from the arts and cultural heritage fund must include measurable outcomes, and a plan for measuring and evaluating the results. A project or program must be consistent with current scholarship, or best practices, when appropriate and must incorporate state-of-the-art technology when appropriate.

(b) Funding from the arts and cultural heritage fund may be granted for an entire project or for part of a project so long as the recipient provides a description and cost for the entire project and can demonstrate that it has adequate resources to ensure that the entire project will be completed.

(c) Money from the arts and cultural heritage fund shall be expended for benefits across all regions and residents of the state.

(d) ~~All~~ A state agency or other recipient of a direct appropriation from the arts and cultural heritage fund must compile and submit all information for funded projects or programs, including the proposed measurable outcomes and all other items required under section 3.303, subdivision 10, must be made available on to the Legislative Coordinating Commission Web site, as soon as practicable or by the deadline specified in the enabling law, whichever comes first. Information on the measured outcomes and evaluation must be posted. The Legislative Coordinating Commission must post submitted information on the Web site required under section 3.303, subdivision 10, as soon as it becomes available.

(e) Grants funded by the arts and cultural heritage fund must be implemented according to section 16B.98 and must account for all expenditures of funds. Priority for grant proposals must be given to proposals involving grants that will be competitively awarded.

(f) All money from the arts and cultural heritage fund must be for projects located in Minnesota.

(g) A state agency or other recipient of money from the arts and cultural heritage fund shall prominently display on the state agency's or other recipient's Web site home page, when applicable, the legacy logo required under Laws 2009, chapter 172, article 5, section 10, as amended by Laws 2010, chapter 361, article 3, section 5, accompanied by the phrase "Click here for more information." When a person clicks on the legacy logo image, the Web site must direct the person to a dedicated legacy page on the state agency's or other recipient's Web site. The dedicated legacy page must prominently display both the contact information for the state agency or other recipient that a person may use to obtain additional information, as well as a link to the Legislative Coordinating Commission Web site required under section 3.303, subdivision 10.

(h) Future eligibility for money from the arts and cultural heritage fund is contingent upon a state agency or other recipient satisfying all applicable requirements in this section, as well as any additional requirements contained in applicable session law.

#### Sec. 6. **APPLICABILITY.**

Sections 7 to 10 apply to any appropriation for fiscal year 2012 or 2013 from a legacy fund. For the purposes of sections 7 to 10, "legacy fund" means the outdoor heritage fund, the clean water fund, the parks and trails fund, or the arts and cultural heritage fund

#### Sec. 7. **GENERAL PROVISIONS.**

Subdivision. 1. **Grants.** Grants funded by a legacy fund must be implemented according to Minnesota Statutes, section 16B.98, and the responsible entity must account for all expenditures of funds.

Subd. 2. **Constitution.** A recipient of money from a legacy fund must comply with the Minnesota Constitution, article XI, section 15, and may not substitute money received from a legacy fund for a traditional source of funding.

#### Sec. 8. **LEGACY FUNDS RECIPIENT REPORT.**

(a) A state agency or other recipient of a direct appropriation from a legacy fund shall submit a report to the Legislative Reference Library as provided under Minnesota Statutes, section 3.195, and to the Legislative Coordinating Commission that contains all of the information required under Minnesota Statutes, section 3.303, subdivision 10.

(b) A state agency or other recipient of a direct appropriation from a legacy fund must submit a report containing all available and required information by January 15, 2012, for appropriations in fiscal year 2012, and January 15, 2013, for appropriations in fiscal year 2013. If the nature of a funded project is such that all required information is not yet available by the applicable reporting deadline, a state agency or other recipient of a direct appropriation must submit any additional information required under Minnesota Statutes, section 3.303, subdivision 10, as soon as practicable.

Sec. 9. **IN THE EVENT OF A LAWSUIT.**

(a) An appropriation or portion of an appropriation from a legacy fund is canceled to the extent that a court determines that the appropriation unconstitutionally substitutes for a traditional source of funding.

(b) Any grant contract or similar agreement that awards money from a legacy fund must contain the information in paragraph (a).

Sec. 10. **LEGACY ACCOUNTING; TECHNICAL ASSISTANCE.**

No later than January 1, 2012, the commissioner of management and budget shall finalize guidance and best practices to assist state agencies in uniformly accounting for their expenditure of legacy funds. The commissioner shall make this information available to all state agencies identified in this act."

Delete the title and insert:

"A bill for an act relating to state government; appropriating money from the outdoor heritage fund, clean water fund, parks and trails fund, and arts and cultural heritage fund; modifying certain outdoor heritage provisions; establishing accounts; modifying the Clean Water Legacy Act; revising membership and duties of the Clean Water Council; establishing State Capitol Preservation Commission; providing appointments; establishing reporting and other requirements for legacy fund recipients; amending Minnesota Statutes 2010, sections 3.303, subdivision 10; 85.013, by adding a subdivision; 85.53, subdivision 2; 97A.056, subdivision 2, by adding subdivisions; 114D.10; 114D.20, subdivisions 1, 2, 3, 6, 7; 114D.30; 114D.35; 114D.50, subdivision 4; 129D.17, subdivision 2; 129D.18, subdivisions 3, 4; 129D.19, subdivision 5; Laws 2009, chapter 172, article 1, section 2, subdivision 3; article 4, section 9, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 15B; 16B; 84; 138; repealing Minnesota Statutes 2010, sections 84.02, subdivisions 1, 2, 3, 4, 5, 6, 7, 8; 114D.45."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Environment, Energy and Natural Resources Policy and Finance.

The report was adopted.

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

H. F. No. 1063, A bill for an act relating to local government; permitting counties to perform private audit meeting standards of state auditor; amending Minnesota Statutes 2010, section 6.48.

Reported the same back with the following amendments:

Page 2, delete lines 11 to 18 and insert:

"(c) Notwithstanding paragraph (a), a county may provide for an audit to be performed by a certified public accountant firm meeting the requirements of section 326A.05. A county must notify the state auditor before January 1 of a year in which the county intends to have an audit performed by a certified public accounting firm. A county

currently using a certified public accounting firm must notify the state auditor before January 1 of a year in which the county intends for the state auditor to audit the county. The audit performed under this paragraph must meet the standards and be in the form required by the state auditor. The state auditor may require additional information from the certified public accountant firm as the state auditor deems in the public interest, but the state auditor must accept the audit unless the state auditor determines that it does not meet recognized industry auditing standards or is not in the form required by the state auditor."

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.

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

H. F. No. 1067, A bill for an act relating to transportation; prohibiting certain activities on rail bank property; imposing misdemeanor penalty; amending Minnesota Statutes 2010, section 222.63, subdivision 9.

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.

McNamara from the Committee on Environment, Energy and Natural Resources Policy and Finance to which was referred:

H. F. No. 1088, A bill for an act relating to state government; modifying provisions relating to state agency responses to natural disasters; amending Minnesota Statutes 2010, sections 12A.05; 12A.06, subdivision 1; 12A.07, subdivisions 1, 2; 12A.09, subdivision 4; 12A.10, by adding a subdivision; 12A.12, subdivisions 2, 3, by adding a subdivision; 12A.15, by adding a subdivision; 12A.16.

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.

McNamara from the Committee on Environment, Energy and Natural Resources Policy and Finance to which was referred:

H. F. No. 1283, A bill for an act relating to natural resources; modifying operating provisions for certain recreational vehicles; providing for dual registration of certain motorcycles; modifying special vehicle use on roadways; amending Minnesota Statutes 2010, sections 84.777, subdivision 2; 84.788, by adding a subdivision; 84.9257; 168.002, subdivision 18; 168A.085; 169.045, subdivisions 1, 2, 3, 5, 6, 7, 8.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2010, section 84.777, subdivision 2, is amended to read:

Subd. 2. **Off-highway vehicle seasonal restrictions.** (a) ~~The commissioner shall prescribe seasons for off-highway vehicle use on state forest lands.~~ Except for designated forest roads, a person must not operate an off-highway vehicle on state forest lands: ~~(1) outside of the seasons prescribed under this paragraph; or (2) during the firearms deer hunting season in areas of the state where deer may be taken by rifle. This paragraph does not apply to a person in possession of a valid deer hunting license operating an off-highway vehicle before or after legal shooting hours or from 11:00 a.m. to 2:00 p.m.~~

(b) The commissioner may designate and post winter trails on state forest lands for use by off-highway vehicles.

(c) For the purposes of this subdivision, "state forest lands" means forest lands under the authority of the commissioner as defined in section 89.001, subdivision 13, and lands managed by the commissioner under section 282.011.

Sec. 2. Minnesota Statutes 2010, section 84.788, is amended by adding a subdivision to read:

Subd. 12. **Dual registration.** (a) An off-highway motorcycle registered under this section may also be registered as a motorcycle under chapter 168 for use on public roads and highways.

(b) If the off-highway motorcycle was not originally constructed primarily for use on public roads and highways, the off-highway motorcycle must be equipped with mirrors and a headlight, taillight, and horn and be otherwise modified as necessary to meet the requirements of chapter 169 for motorcycles regarding safety and acceptability to operate on public roads and highways.

(c) An applicant for registration under chapter 168 must submit an inspection form, prescribed by the commissioner of public safety. The inspection form must be completed by a police officer, as defined under section 169.011, and certify that the off-highway motorcycle meets the requirements of chapter 169 for motorcycles regarding safety and acceptability to operate on public roads and highways.

(d) Chapter 168A does not apply to an off-highway motorcycle modified to meet the requirements of chapter 169 according to this subdivision.

Sec. 3. **[84.8035] NONRESIDENT OFF-ROAD VEHICLE STATE TRAIL PASS.**

Subdivision 1. **Pass required; fee.** (a) A nonresident may not operate an off-road vehicle on a state or grant-in-aid off-road vehicle trail unless the vehicle displays a nonresident off-road vehicle state trail pass sticker issued according to this section. The pass must be viewable by a peace officer, a conservation officer, or an employee designated under section 84.0835.

(b) The fee for an annual pass is \$20. The pass is valid from January 1 through December 31. The fee for a three-year pass is \$30. The commissioner of natural resources shall issue a pass upon application and payment of the fee. Fees collected under this section, except for the issuing fee for licensing agents, shall be deposited in the state treasury and credited to the off-road vehicle account in the natural resources fund and, except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, must be used for grants-in-aid to counties and municipalities for off-road vehicle organizations to construct and maintain off-road vehicle trails and use areas.

(c) A nonresident off-road vehicle state trail pass is not required for:

(1) an off-road vehicle that is owned and used by the United States, another state, or a political subdivision thereof that is exempt from registration under section 84.798, subdivision 2;

(2) a person operating an off-road vehicle only on the portion of a trail that is owned by the person or the person's spouse, child, or parent; or

(3) a nonresident operating an off-road vehicle that is registered according to section 84.798.

Subd. 2. **License agents.** The commissioner may appoint agents to issue and sell nonresident off-road vehicle state trail passes. The commissioner may revoke the appointment of an agent at any time. The commissioner may adopt additional rules as provided in section 97A.485, subdivision 11. An agent shall observe all rules adopted by the commissioner for accounting and handling of passes pursuant to section 97A.485, subdivision 11. An agent shall promptly deposit and remit all money received from the sale of the passes, exclusive of the issuing fee, to the commissioner.

Subd. 3. **Issuance of passes.** The commissioner and agents shall issue and sell nonresident off-road vehicle state trail passes. The commissioner shall also make the passes available through the electronic licensing system established under section 84.027, subdivision 15.

Subd. 4. **Agent's fee.** In addition to the fee for a pass, an issuing fee of \$1 per pass shall be charged. The issuing fee may be retained by the seller of the pass. Issuing fees for passes issued by the commissioner shall be deposited in the off-road vehicle account in the natural resources fund and retained for the operation of the electronic licensing system.

Subd. 5. **Duplicate passes.** The commissioner and agents shall issue a duplicate pass to persons whose pass is lost or destroyed using the process established under section 97A.405, subdivision 3, and rules adopted thereunder. The fee for a duplicate nonresident off-road vehicle state trail pass is \$4, with an issuing fee of 50 cents.

Sec. 4. Minnesota Statutes 2010, section 84.92, subdivision 8, is amended to read:

Subd. 8. **All-terrain vehicle or vehicle.** "All-terrain vehicle" or "vehicle" means a motorized ~~flotation-tired~~ vehicle of not less than three low pressure tires, but not more than equipped with three to six nonhighway tires, that is limited in engine displacement of less than 960 cubic centimeters and includes a class 1 all-terrain vehicle and class 2 all-terrain vehicle. All-terrain vehicle does not include a golf cart; a mini-truck; a dune buggy; a go cart; or vehicles designed and used specifically for lawn maintenance, agriculture, logging, or mining purposes.

Sec. 5. Minnesota Statutes 2010, section 84.92, subdivision 9, is amended to read:

Subd. 9. **Class 1 all-terrain vehicle.** "Class 1 all-terrain vehicle" means an all-terrain vehicle that has a total dry weight of less than 1,000 pounds and has a straddled seat.

Sec. 6. Minnesota Statutes 2010, section 84.92, subdivision 10, is amended to read:

Subd. 10. **Class 2 all-terrain vehicle.** "Class 2 all-terrain vehicle" means an all-terrain vehicle that is not a class 1 all-terrain vehicle, has a total dry weight of 1,000 to 1,800 pounds or less, and has a manufacturer's published width of 68 inches or less.

Sec. 7. Minnesota Statutes 2010, section 84.9257, is amended to read:

**84.9257 PASSENGERS.**

(a) A person 18 years of age or older may operate a class 1 all-terrain vehicle carrying only one passenger.

(b) A person 18 years of age or older may operate a class 2 all-terrain vehicle while carrying a only one passenger, or up to the number of passengers for which the vehicle was designed, whichever is greater.

(c) A person 12 to 17 years of age may operate a class 1 all-terrain vehicle carrying only one passenger and the passenger must be the person's parent or legal guardian.

Sec. 8. Minnesota Statutes 2010, section 86B.313, subdivision 1, is amended to read:

Subdivision 1. **General requirements.** (a) In addition to requirements of other laws relating to watercraft, a person may not operate or permit the operation of a personal watercraft:

(1) without each person on board the personal watercraft wearing a United States Coast Guard approved Type I, II, III, or V personal flotation device;

(2) between one hour before sunset and 9:30 a.m., unless the personal watercraft is equipped with manufacturer installed navigational lights as prescribed by the commissioner;

(3) at greater than slow-no wake speed within 150 feet of:

(i) a shoreline;

(ii) a dock;

(iii) a swimmer;

(iv) a raft used for swimming or diving; or

(v) a moored, anchored, or nonmotorized watercraft;

(4) while towing a person on water skis, a kneeboard, an inflatable craft, or any other device unless:

(i) an observer is on board; or

(ii) the personal watercraft is equipped with factory-installed or factory-specified accessory mirrors that give the operator a wide field of vision to the rear;

(5) without the lanyard-type engine cutoff switch being attached to the person, clothing, or personal flotation device of the operator, if the personal watercraft is equipped by the manufacturer with such a device;

(6) if any part of the spring-loaded throttle mechanism has been removed, altered, or tampered with so as to interfere with the return-to-idle system;

(7) to chase or harass wildlife;

(8) through emergent or floating vegetation at other than a slow-no wake speed;

(9) in a manner that unreasonably or unnecessarily endangers life, limb, or property, including weaving through congested watercraft traffic, jumping the wake of another watercraft within 150 feet of the other watercraft, or operating the watercraft while facing backwards;

(10) in any other manner that is not reasonable and prudent; or

(11) without a personal watercraft rules decal, issued by the commissioner, attached to the personal watercraft so as to be in full view of the operator.

(b) Paragraph (a), clause (3), does not apply to a person operating a personal watercraft to launch or land a person on water skis, a kneeboard, or similar device by the most direct route to open water.

Sec. 9. Minnesota Statutes 2010, section 86B.825, subdivision 3, is amended to read:

Subd. 3. **Voluntary titling.** The owner of a device used or designed for navigation on water and used on the waters of this state may obtain a certificate of title for the device, even though it is not a watercraft as defined in section 86B.820, subdivision 14, in the same manner and with the same effect as the owner of a watercraft required to be titled under ~~Laws 1989, chapter 335~~ sections 86B.820 to 86B.920. Once titled, the device is a titled watercraft as defined in section 86B.820, subdivision 13, and is and remains subject to ~~Laws 1989, chapter 335~~ sections 86B.820 to 86B.920, to the same extent as a watercraft required to be titled.

Sec. 10. Minnesota Statutes 2010, section 86B.830, subdivision 2, is amended to read:

Subd. 2. **Issuance.** (a) The commissioner shall issue a certificate of title for a watercraft upon verification that:

- (1) the application is genuine;
- (2) the applicant is the owner of the watercraft; and
- (3) payment of the required fee.

(b) The original certificate of title must be mailed to the ~~first secured party disclosed in the application or, if none, to the owner named in the application.~~ Secured parties, if any, must be mailed notification of their security interest filed.

Sec. 11. Minnesota Statutes 2010, section 86B.850, subdivision 1, is amended to read:

Subdivision 1. **Form and issuance.** (a) The commissioner may issue a duplicate certificate of title under this section. The duplicate certificate of title must be a certified copy plainly marked "duplicate" across its face and must contain the legend: "This duplicate certificate of title may be subject to the rights of a person under the original certificate." It must be mailed ~~to the first secured party named in it or, if none,~~ to the owner. The commissioner shall indicate in the department records that a duplicate has been issued.

(b) As a condition to issuing a duplicate certificate of title, the commissioner may require a bond from the applicant in the manner and form prescribed in section 86B.830, subdivision 4, paragraph (b).

Sec. 12. Minnesota Statutes 2010, section 86B.885, is amended to read:

**86B.885 OWNER-CREATED SECURITY INTEREST.**

Paragraphs (a) to (d) apply if an owner creates a security interest in a titled watercraft.

(a) The owner shall immediately execute the application in the space provided on the certificate of title or on a separate form prescribed by the commissioner, show the name and address of the secured party on the certificate, and have the certificate, application, and required fee delivered to the secured party.



(b) The secured party shall immediately have the certificate, application, and required fee mailed or delivered to the commissioner.

(c) ~~Upon request of the owner or A second or subordinate secured party, a secured party in possession of the certificate of title shall either (1) mail or deliver the certificate to the subordinate secured party for delivery to the commissioner, or (2) upon receiving from the subordinate secured party the owner's application and the required fee, mail or deliver them to the commissioner with the certificate. The delivery of the certificate does not affect the rights of the first secured party under the security agreement.~~

(d) Upon receiving the certificate of title, application, and required fee, the commissioner shall either endorse on the certificate or issue a new certificate containing the name and address of the new secured party, and mail or deliver the certificate to the ~~first secured party named on it~~ owner. The secured party or parties shall be issued a notification that the security interest has been recorded.

Sec. 13. Minnesota Statutes 2010, section 168.002, subdivision 18, is amended to read:

Subd. 18. **Motor vehicle.** (a) "Motor vehicle" means any self-propelled vehicle designed and originally manufactured to operate primarily on highways, and not operated exclusively upon railroad tracks. It includes any vehicle propelled or drawn by a self-propelled vehicle and includes vehicles known as trackless trolleys that are propelled by electric power obtained from overhead trolley wires but not operated upon rails. It does not include snowmobiles, manufactured homes, or park trailers.

(b) "Motor vehicle" includes an all-terrain vehicle only if the all-terrain vehicle (1) has at least four wheels, (2) is owned and operated by a physically disabled person, and (3) displays both disability plates and a physically disabled certificate issued under section 169.345.

(c) "Motor vehicle" does not include an all-terrain vehicle except (1) an all-terrain vehicle described in paragraph (b), or (2) an all-terrain vehicle licensed as a motor vehicle before August 1, 1985. The owner may continue to license an all-terrain vehicle described in clause (2) as a motor vehicle until it is conveyed or otherwise transferred to another owner, is destroyed, or fails to comply with the registration and licensing requirements of this chapter.

(d) "Motor vehicle" does not include an electric personal assistive mobility device as defined in section 169.011, subdivision 26.

(e) "Motor vehicle" does not include a motorized foot scooter as defined in section 169.011, subdivision 46.

(f) "Motor vehicle" includes an off-highway motorcycle modified to meet the requirements of chapter 169 according to section 84.788, subdivision 12.

Sec. 14. Minnesota Statutes 2010, section 168A.085, is amended to read:

#### **168A.085 APPLICATION FOR TITLE ~~OR REGISTRATION~~, CERTAIN CASES.**

Subdivision 1. **Limitations.** No application for certificate of title ~~or registration~~ may be issued for a vehicle that was not manufactured in compliance with applicable federal emission standards in force at the time of manufacture as provided by the Clean Air Act, United States Code, title 42, sections 7401 through 7642, and regulations adopted pursuant thereto, and safety standards as provided by the National Traffic and Motor Safety Act, United States Code, title 15, sections 1381 through 1431, and regulations adopted pursuant thereto, unless the applicant furnishes either proof satisfactory to the agent that the vehicle was not brought into the United States from outside the country or all of the following:

(1) a bond release letter, with all attachments, issued by the United States Department of Transportation acknowledging receipt of a statement of compliance submitted by the importer of the vehicle and that the statement meets the safety requirements as provided by Code of Federal Regulations, title 19, section 12.80(e);

(2) a bond release letter, with all attachments, issued by the United States Environmental Protection Agency stating that the vehicle has been tested and known to be in conformity with federal emission requirements; and

(3) a receipt or certificate issued by the United States Department of the Treasury showing that any gas-guzzler taxes due on the vehicle as provided by Public Law 95-618, title 2, section 201(a), have been fully paid.

Subd. 2. **Accompanying documents.** The application for certificate of title ~~and the application for registration~~ must be accompanied by a manufacturer's certificate of origin in the English language which was issued by the actual vehicle manufacturer and either:

(1) the original documents constituting valid proof of ownership in the country in which the vehicle was originally purchased, together with a translation of the documents into the English language verified as to accuracy of the translation by affidavit of the translator; or

(2) with regard to a vehicle imported from a country that cancels the vehicle registration and title for export, a bond as required by section 168A.07, subdivision 1, clause (2).

Sec. 15. Minnesota Statutes 2010, section 169.045, subdivision 1, is amended to read:

Subdivision 1. **Designation of roadway, permit.** The governing body of any county, home rule charter or statutory city, or town may by ordinance authorize the operation of motorized golf carts, ~~four-wheel~~ all-terrain vehicles, or mini trucks, on designated roadways or portions thereof under its jurisdiction. Authorization to operate a motorized golf cart, ~~four-wheel~~ all-terrain vehicle, or mini truck is by permit only. For purposes of this section, ~~a four-wheel an all-terrain vehicle is a motorized flotation tired vehicle with four low pressure tires that is limited in engine displacement of less than 800 cubic centimeters and total dry weight less than 600 pounds~~ has the meaning given in section 84.92, and a mini truck has the meaning given in section 169.011, subdivision 40a.

Sec. 16. Minnesota Statutes 2010, section 169.045, subdivision 2, is amended to read:

Subd. 2. **Ordinance.** The ordinance shall designate the roadways, prescribe the form of the application for the permit, require evidence of insurance complying with the provisions of section 65B.48, subdivision 5 and may prescribe conditions, not inconsistent with the provisions of this section, under which a permit may be granted. Permits may be granted for a period ~~of~~ not to exceed ~~one year~~ three years, and may be ~~annually~~ renewed. A permit may be revoked at any time if there is evidence that the permittee cannot safely operate the motorized golf cart, ~~four-wheel~~ all-terrain vehicle, or mini truck on the designated roadways. The ordinance may require, as a condition to obtaining a permit, that the applicant submit a certificate signed by a physician that the applicant is able to safely operate a motorized golf cart, ~~four-wheel~~ all-terrain vehicle, or mini truck on the roadways designated.

Sec. 17. Minnesota Statutes 2010, section 169.045, subdivision 3, is amended to read:

Subd. 3. **Times of operation.** Motorized golf carts and ~~four-wheel~~ all-terrain vehicles may only be operated on designated roadways from sunrise to sunset, unless equipped with original equipment headlights, taillights, and rear-facing brake lights. They shall not be operated in inclement weather, except during emergency conditions as provided in the ordinance, or when visibility is impaired by weather, smoke, fog or other conditions, or at any time when there is insufficient ~~light~~ visibility to clearly see persons and vehicles on the roadway at a distance of 500 feet.

Sec. 18. Minnesota Statutes 2010, section 169.045, subdivision 5, is amended to read:

Subd. 5. **Crossing intersecting highways.** The operator, under permit, of a motorized golf cart, ~~four-wheel~~ all-terrain vehicle, or mini truck may cross any street or highway intersecting a designated roadway.

Sec. 19. Minnesota Statutes 2010, section 169.045, subdivision 6, is amended to read:

Subd. 6. **Application of traffic laws.** Every person operating a motorized golf cart, ~~four-wheel~~ all-terrain vehicle, or mini truck under permit on designated roadways has all the rights and duties applicable to the driver of any other vehicle under the provisions of this chapter, except when those provisions cannot reasonably be applied to motorized golf carts, ~~four-wheel~~ all-terrain vehicles, or mini trucks and except as otherwise specifically provided in subdivision 7.

Sec. 20. Minnesota Statutes 2010, section 169.045, subdivision 7, is amended to read:

Subd. 7. **Nonapplication of certain laws.** The provisions of chapter 171 are applicable to persons operating mini trucks, but are not applicable to persons operating motorized golf carts or ~~four-wheel~~ all-terrain vehicles under permit on designated roadways pursuant to this section. Except for the requirements of section 169.70, the provisions of this chapter relating to equipment on vehicles are not applicable to motorized golf carts or four-wheel all-terrain vehicles operating, under permit, on designated roadways.

Sec. 21. Minnesota Statutes 2010, section 169.045, subdivision 8, is amended to read:

Subd. 8. **Insurance.** In the event persons operating a motorized golf cart, ~~four-wheel~~ all-terrain vehicle, or mini truck under this section cannot obtain liability insurance in the private market, that person may purchase automobile insurance, including no-fault coverage, from the Minnesota Automobile Insurance Plan under sections 65B.01 to 65B.12, at a rate to be determined by the commissioner of commerce.

Sec. 22. Minnesota Statutes 2010, section 239.791, is amended by adding a subdivision to read:

Subd. 16. **Exemption for recreational vehicle manufacturer.** A person responsible for the product may offer for sale, sell, or dispense gasoline that is not oxygenated according to subdivision 1 if the gasoline is intended to be used exclusively for research and development by a manufacturer of snowmobiles, all-terrain vehicles, motorcycles, or recreational vehicles."

Delete the title and insert:

"A bill for an act relating to natural resources; modifying operating provisions and definitions for certain recreational vehicles; providing for dual registration of certain motorcycles; requiring a nonresident off-road vehicle state trail pass; modifying requirements for titling watercraft; modifying special vehicle use on roadways; amending Minnesota Statutes 2010, sections 84.777, subdivision 2; 84.788, by adding a subdivision; 84.92, subdivisions 8, 9, 10; 84.9257; 86B.313, subdivision 1; 86B.825, subdivision 3; 86B.830, subdivision 2; 86B.850, subdivision 1; 86B.885; 168.002, subdivision 18; 168A.085; 169.045, subdivisions 1, 2, 3, 5, 6, 7, 8; 239.791, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 84."

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.

Cornish from the Committee on Public Safety and Crime Prevention 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.

The report was adopted.

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

H. F. No. 1331, A bill for an act relating to state government; requiring certain state agencies to enter into contracts to provide consulting services for improvements to certain state-operated systems and services.

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.

Peppin from the Committee on Government Operations and Elections 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 2, line 4, delete everything after the period

Page 2, delete line 5

Page 2, line 6, delete "execute the work of the task force."

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. 1341, A bill for an act relating to human services; requiring reporting of fiscal information on health care services to children under Minnesota public health care programs; proposing coding for new law in Minnesota Statutes, chapter 256.

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

The report was adopted.

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

H. F. No. 1384, A bill for an act relating to fraudulent transfers; excluding certain transfers to charitable or religious organizations from the fraudulent transfers act; amending Minnesota Statutes 2010, section 513.41.

Reported the same back with the following amendments:

Page 3, line 16, delete the new language and insert "Transfer" does not mean or include a contribution of money or an asset made to a qualified charitable or religious organization or entity unless the organization or entity had reasonable cause to believe either that:

Page 3, delete lines 17 to 29 and insert:

"(i) the debtor made the charitable contribution with actual intent to hinder, delay, or defraud any creditor of the debtor, or

(ii) the debtor:

(A) was insolvent at the time of the contribution or would be rendered insolvent by reason of the contribution;

(B) was engaged or was about to engage in a business or a transaction for which the remaining assets of the debtor were unreasonably small in relation to the business or transaction; or

(C) intended to incur, or believed or reasonably should have believed that the debtor would incur, debts beyond the debtor's ability to pay as the debts become due.

Transfer does include a return on investment made by a qualified charitable or religious organization or entity. "Qualified charitable or religious organization or entity" means an organization or entity described in United States Code, title 26, section 170(c)(1), (2), or (3). The burden of proving that an organization or entity had reason to believe that one of the two exceptions in this section applies is on the creditor. This section does not impose any duty on a charitable organization or entity to make inquiry regarding the financial status of a contributor."

Page 3, delete lines 32 and 33 and insert:

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

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. 1412, A bill for an act relating to transportation; amending operation requirements and regulation of electric-assisted bicycles; permitting electric-assisted bicycle operation on bikeways and bicycle trails; amending Minnesota Statutes 2010, sections 85.015, by adding a subdivision; 85.018, subdivisions 2, 4; 160.263, subdivision 2; 169.011, subdivision 27; 169.223, subdivision 5.

Reported the same back with the following amendments:

Page 1, line 12, before the period, insert ", unless the commissioner determines that operation of the electric-assisted bicycle is not consistent with safe use and enjoyment of the trail"

Page 2, line 10, before the period, insert ", unless the local unit of government determines that operation of the electric-assisted bicycle is not consistent with safe use and enjoyment of the trail"

Page 2, line 26, before the period, insert ", unless the governing body determines that operation of the electric-assisted bicycle is not consistent with safe use and enjoyment of the bikeway, roadway, or shoulder"

Page 3, reinstate lines 21 and 22 and before the period, insert ", except that an electric-assisted bicycle may be operated on the path or lane if not otherwise prohibited under section 85.015, subdivision 1d; 85.018, subdivision 2, paragraph (d); or 160.263, subdivision 2, paragraph (b), as applicable"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Environment, Energy and Natural Resources Policy and Finance.

The report was adopted.

Smith from the Committee on Judiciary Policy and Finance 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 2, line 26, delete "or"

Page 2, line 28, delete the second period and insert "; or"

Page 2, after line 28, insert:

"(4) a successor corporation that, after a merger or consolidation with a transferor, continued in the business of mining asbestos, selling or distributing asbestos fibers, or manufacturing, distributing, removing, or installing asbestos-containing products that were the same or substantially the same as those products that were previously manufactured, distributed, removed, or installed by the transferor."

Amend the title as follows:

Page 1, line 2, delete "commerce" and insert "civil law"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1423, A bill for an act relating to human services; providing for 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, subdivisions 1, 3; 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 1, delete lines 21 and 22

Page 9, line 15, delete "adoption assistance program" and insert "commissioner"

Page 9, line 17, after "parent" insert "or step parent"

Page 9, line 19, delete "resides" and insert "resided" and delete the semicolon and insert "unless:"

Page 9, after line 19, insert:

"(i) the child was in the custody of a Minnesota county or tribal agency pursuant to an order under chapter 260C or equivalent provisions of tribal code and the agency had placement and care responsibility for permanency planning for the child; and

(ii) the child is under guardianship of the commissioner of human services according to the requirements of section 260C.325, subdivision 1, paragraphs (a) and (b), or subdivision 3, paragraphs (a) and (b), or is a ward of a Minnesota tribal court after termination of parental rights, suspension of parental rights, or a finding by the tribal court that the child cannot safely return to the care of the parent;"

Page 19, delete section 13

Pages 23 to 113, delete articles 2 and 3

Renumber the sections in sequence

Amend the title as follows:

Page 1, delete lines 2 and 3 and insert "relating to human services; providing for adoption assistance reform;"

Page 1, line 4, delete everything before "amending"

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.

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

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.

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. 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.

Reported the same back with the following amendments:

Page 10, delete section 10

Page 11, delete section 11

Pages 13 to 15, delete section 3

Page 17, delete article 3

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 5, delete everything after the semicolon

Page 1, line 6, delete "provision;"

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. 1498, A bill for an act relating to human services; modifying human services agency provisions; modifying agency hearing and appeals provisions; creating the Disparities Reduction Advisory Council; amending Minnesota Statutes 2010, sections 256.045, subdivisions 3, 4; 256.0451, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 256.

Reported the same back with the following amendments:



Page 1, delete lines 8 and 9

Page 4, delete section 2

Page 5, line 29, delete "judge" and insert "referee"

Page 6, lines 6, 9, and 12, delete "judge" and insert "referee"

Page 6, line 13, delete "referee" and insert "judge"

Page 6, delete Article 2

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete "creating the Disparities"

Page 1, line 4, delete "Reduction Advisory Council;"

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. 1508, A bill for an act relating to health; changing provisions to resident case mix classification; amending Minnesota Statutes 2010, section 144.0724, subdivisions 2, 3, 4, 5, 6, 9, by adding a subdivision.

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

The report was adopted.

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

H. F. No. 1515, A bill for an act relating to real property; landlord and tenant; modifying certain late fee provisions; clarifying certain provisions related to eviction from property subject to foreclosure; amending Minnesota Statutes 2010, sections 504B.177; 504B.285, subdivisions 1a, 1b, 1c.

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. 1530, A bill for an act relating to insurance; regulating statutory premium reserves for title insurers; amending Minnesota Statutes 2010, section 68A.03, 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. 1538, A bill for an act relating to campaign finance; modifying certain contribution and expenditure limits; amending Minnesota Statutes 2010, sections 10A.25, subdivision 2; 10A.27, subdivision 1.

Reported the same back with the following amendments:

Page 2, line 33, delete "July 1, 2012," and insert "the day following final enactment"

Page 2, after line 34, insert:

"Sec. 3. Minnesota Statutes 2010, section 10A.27, subdivision 11, is amended to read:

Subd. 11. **Contributions from certain types of contributors.** A candidate must not permit the candidate's principal campaign committee to accept a contribution from a political committee, political fund, lobbyist, or large contributor, if the contribution will cause the aggregate contributions from those types of contributors to exceed an amount equal to 20 percent of the expenditure limits for the office sought by the candidate, provided that the 20 percent limit must be rounded to the nearest \$100. For purposes of this subdivision, "large contributor" means an individual, other than the candidate, who contributes an amount that is more than ~~\$100~~ \$250 and more than one-half the amount an individual may contribute.

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

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:

S. F. No. 55, A bill for an act relating to education; modifying charter authorizer approval deadline; amending Minnesota Statutes 2010, section 124D.10, subdivision 3.

Reported the same back with the following amendments to the unofficial engrossment:

Page 1, line 15, delete "only summary" and insert "anonymized" and delete "on student performance outcomes" and insert "where cell count data are sufficient to protect student identity and" and delete "meet" and insert "meets"

Page 3, line 33, strike "no more than" and delete "ten"

Page 6, line 19, after "shown" insert "that provides the commissioner a legally sufficient reason to take corrective action against an authorizer."

Page 22, line 25, after the period, insert "A charter school is not required to indemnify or hold harmless a state employee if the state would not be required to indemnify and hold the employee harmless under section 3.736, subdivision 9."

Page 24, line 20, after the period, insert "As a condition of continuing to authorize a charter school under this section, an authorizer under paragraph (a) must direct the charter school to notify the parents of students enrolled in the charter school within 14 days after the effective date of this section that the authorizer is currently able to continue to authorize the charter school only until June 30, 2012."

With the recommendation that when so amended the bill pass.

The report was adopted.

## **SECOND READING OF HOUSE BILLS**

H. F. Nos. 56, 495, 747, 905, 926, 1011, 1289, 1339, 1341, 1418, 1445, 1475, 1498, 1508, 1515, 1530 and 1538 were read for the second time.

## **SECOND READING OF SENATE BILLS**

S. F. No. 55 was read for the second time.

## **INTRODUCTION AND FIRST READING OF HOUSE BILLS**

The following House Files were introduced:

Drazkowski; Zellers; Dean; Mazorol; Kiffmeyer; Wardlow; Fabian; Woodard; Bills; Howes; Gruenhagen; Banaian; Anderson, B.; Lohmer; Benson, M.; Murdock; Nornes; Quam; Daudt; Erickson; Myhra; Kelly; Scott; Beard; Holberg; Runbeck; Leidiger; Shimanski and Swedzinski introduced:

H. F. No. 1598, A bill for an act proposing an amendment to the Minnesota Constitution by adding a section to article IV; requiring a three-fifths vote to enact a law imposing or increasing certain taxes.

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

McFarlane and Marquart introduced:

H. F. No. 1599, A bill for an act relating to state government; creating the Minnesota Northstar Council; requiring a state strategic plan and agency strategic plans; proposing coding for new law as Minnesota Statutes, chapter 15D.

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

Melin, Lesch, Smith and Champion introduced:

H. F. No. 1600, A bill for an act relating to civil justice; establishing a presumption of rehabilitation for persons with expunged offenses; amending Minnesota Statutes 2010, sections 364.03, subdivision 3; 364.10; proposing coding for new law in Minnesota Statutes, chapter 364.

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

O'Driscoll introduced:

H. F. No. 1601, A bill for an act relating to the city of Sauk Rapids; authorizing inclusion of certain parcels in a tax increment financing district.

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

Kahn, Carlson, Hausman, Banaian and Rukavina introduced:

H. F. No. 1602, A bill for an act relating to higher education; modifying certain requirements for University of Minnesota regents; amending Minnesota Statutes 2010, sections 137.0245, subdivision 3; 137.0246, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 137.

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

Falk, Knuth and Winkler introduced:

H. F. No. 1603, A bill for an act relating to natural resources; appropriating money for Gulf oil spill assessment.

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

Woodard and Anzelc introduced:

H. F. No. 1604, A bill for an act relating to courts; authorizing a pilot program to fund mediation programs in Koochiching and Rice Counties through a surcharge on district court filing fees; appropriating money.

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

Garofalo introduced:

H. F. No. 1605, A bill for an act relating to elections; changing the date of the state primary; changing the date of certain primary elections conducted by a political subdivision; amending Minnesota Statutes 2010, sections 204B.14, subdivisions 2, 4; 204B.21, subdivision 1; 204D.03, subdivision 1; 204D.09, subdivision 1; 204D.28, subdivision 5; 205.065, subdivisions 1, 2; 205A.03, subdivisions 1, 2; 205A.06, subdivision 1a; 205A.11, subdivision 2a; 206.61, subdivision 5; 206.82, subdivision 2.

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

Clark introduced:

H. F. No. 1606, A bill for an act relating to human services; expanding a medication therapy management demonstration project to provide culturally specific care; establishing a medication reconciliation demonstration program; amending Minnesota Statutes 2010, section 256B.0625, subdivision 13h.

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

Woodard and Loeffler introduced:

H. F. No. 1607, A bill for an act relating to the State Capitol; creating an advisory committee on Capitol Complex Security; authorizing the State Patrol to provide security and protection to certain government officials; amending Minnesota Statutes 2010, section 299D.03, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 299E.

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

Barrett introduced:

H. F. No. 1608, A bill for an act relating to controlled substances; adding to the list of Schedule I controlled substances; adding a definition of "analogue" in the controlled substances law; amending Minnesota Statutes 2010, sections 152.01, by adding a subdivision; 152.02, subdivision 2.

The bill was read for the first time and referred to the Committee on Public Safety and Crime Prevention Policy and Finance.

Dettmer introduced:

H. F. No. 1609, A bill for an act relating to veterans; authorizing commissioner of veterans affairs to accept funds for certain purposes; proposing coding for new law in Minnesota Statutes, chapter 296.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Dettmer and Nornes introduced:

H. F. No. 1610, A bill for an act relating to natural resources; modifying wetlands provisions; amending Minnesota Statutes 2010, sections 103G.005, by adding a subdivision; 103G.222, subdivisions 1, 3.

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

Hamilton introduced:

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

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

Downey, Zellers, Dean, Holberg, Banaian, Barrett, Daudt and Lohmer introduced:

H. F. No. 1612, A bill for an act relating to state spending; proposing an amendment to the Minnesota Constitution by adding a section to article XI; limiting the level of budgeted spending to the amount collected in the prior biennium.

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

Gottwalt; Westrom; Daudt; Benson, M.; Kiffmeyer; Dean; Zellers; Franson; Gruenhagen; Lohmer; Drazkowski; Kiel; Scott; Anderson, B.; Erickson; Swedzinski; Vogel and Shimanski introduced:

H. F. No. 1613, A bill for an act proposing an amendment to the Minnesota Constitution; adding a section to article XIII; recognizing marriage as only a union between one man and one woman.

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

Gottwalt introduced:

H. F. No. 1614, A bill for an act proposing an amendment to the Minnesota Constitution; adding a section to article XIII; recognizing marriage as only a union between one man and one woman.

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

Gottwalt introduced:

H. F. No. 1615, A bill for an act proposing an amendment to the Minnesota Constitution; adding a section to article XIII; recognizing marriage as only a union between one man and one woman.

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

Hoppe and Atkins introduced:

H. F. No. 1616, A bill for an act relating to commerce; making changes to health plan requirements; amending Minnesota Statutes 2010, sections 43A.23, subdivision 1; 43A.317, subdivision 6; 62A.03, subdivision 1; 62A.047; 62A.17, subdivision 2; 62A.21, subdivisions 2a, 2b; 62A.25, subdivision 2; 62A.302; 62A.615; 62A.65, subdivisions 5, 6; 62C.14, subdivision 5; 62D.07, subdivision 3; 62D.105; 62E.06, subdivision 1; 62L.02, subdivisions 11, 14a, 19; 62L.03, subdivision 4; 62L.05, subdivision 9; 62Q.01, by adding subdivisions; 62Q.021; 62Q.23; 62Q.43, subdivision 2; 62Q.52; 62Q.55; 62Q.68, subdivision 1; 62Q.69, subdivision 3; 62Q.70, subdivision 1; 62Q.71; 62Q.73; 62Q.80, subdivision 2; 471.61, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapters 62Q; 72A; repealing Minnesota Statutes 2010, section 62E.02, subdivision 7.

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

### MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 978, A bill for an act relating to elections; modifying certain election administration and districting procedures; amending Minnesota Statutes 2010, sections 204B.135, subdivision 1; 204B.14, subdivisions 2, 3; 204B.45, subdivision 2; 204B.46; 204C.06, subdivision 2; 206.57, subdivision 6; 375.025, subdivisions 2, 4.

CAL R. LUDEMAN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 52, A bill for an act relating to local government; providing for variances from city, county, and town zoning controls and ordinances; amending Minnesota Statutes 2010, sections 394.27, subdivision 7; 462.357, subdivision 6.

CAL R. LUDEMAN, Secretary of the Senate

## CONCURRENCE AND REPASSAGE

Peppin moved that the House concur in the Senate amendments to H. F. No. 52 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 52, A bill for an act relating to local government; providing for variances from city, county, and town zoning controls and ordinances; amending Minnesota Statutes 2010, sections 394.27, subdivision 7; 462.357, subdivision 6.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was repassed, as amended by the Senate, and its title agreed to.

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 bill to be placed on the Calendar for the Day for Thursday, April 28, 2011:

H. F. No. 1547.



### CALENDAR FOR THE DAY

H. F. No. 1547 was reported to the House.

Anderson, S., moved to amend H. F. No. 1547, the first engrossment, as follows:

Page 1, line 13, delete everything after the period

Page 1, delete lines 14 and 15

Page 1, delete lines 17 and 18

The motion prevailed and the amendment was adopted.

Hortman; Clark; Murphy, M.; Marquart and Poppe moved to amend H. F. No. 1547, the first engrossment, as amended, as follows:

Page 3, line 2, after the period, insert "A redistricting plan must not be implemented in this state unless at least three hearings to take public comment and testimony have been conducted, after the release of the plan, by the committee or panel responsible for developing the plan."

A roll call was requested and properly seconded.

The question was taken on the Hortman et al amendment and the roll was called. There were 61 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Anzelc	Falk	Hortman	Liebling	Murphy, M.	Slocum
Atkins	Fritz	Hosch	Lillie	Nelson	Thissen
Benson, J.	Gauthier	Huntley	Loeffler	Norton	Tillberry
Brynaert	Greene	Johnson	Mahoney	Paymar	Wagenius
Carlson	Greiling	Kahn	Mariani	Persell	Ward
Champion	Hansen	Kath	Marquart	Peterson, S.	Winkler
Clark	Hausman	Knuth	Melin	Poppe	
Davnie	Hayden	Koenen	Moran	Rukavina	
Dill	Hilstrom	Laine	Morrow	Scalze	
Dittrich	Hilty	Lenczewski	Mullery	Simon	
Eken	Hornstein	Lesch	Murphy, E.	Slawik	

Those who voted in the negative were:

Abeler	Barrett	Crawford	Downey	Gottwalt	Howes
Anderson, B.	Beard	Daudt	Drazkowski	Gruenhagen	Kelly
Anderson, D.	Benson, M.	Dauids	Erickson	Hackbarth	Kieffer
Anderson, P.	Bills	Dean	Fabian	Hancock	Kiel
Anderson, S.	Buesgens	Dettmer	Franson	Holberg	Kiffmeyer
Banaian	Cornish	Doepke	Garofalo	Hoppe	Kriesel

Lanning	Mazorol	Murray	Petersen, B.	Shimanski	Vogel
Leidiger	McDonald	Myhra	Quam	Smith	Wardlow
LeMieur	McElfatrick	Nornes	Runbeck	Stensrud	Westrom
Lohmer	McFarlane	O'Driscoll	Sanders	Swedzinski	Woodard
Loon	McNamara	Pelowski	Schomacker	Torkelson	Spk. Zellers
Mack	Murdock	Peppin	Scott	Urdahl	

The motion did not prevail and the amendment was not adopted.

Hortman; Clark; Murphy, M.; Marquart and Poppe moved to amend H. F. No. 1547, the first engrossment, as amended, as follows:

Page 3, line 2, after the period, insert "A redistricting plan must not be voted upon by a house or senate committee responsible for redistricting until the preliminary plan has been posted and available to the public for comment and testimony for a period of at least five business days."

A roll call was requested and properly seconded.

The question was taken on the Hortman et al amendment and the roll was called. There were 61 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Anzelc	Falk	Hortman	Liebling	Murphy, M.	Slocum
Atkins	Fritz	Hosch	Lillie	Nelson	Thissen
Benson, J.	Gauthier	Huntley	Loeffler	Norton	Tillberry
Brynaert	Greene	Johnson	Mahoney	Paymar	Wagenius
Carlson	Greiling	Kahn	Mariani	Persell	Ward
Champion	Hansen	Kath	Marquart	Peterson, S.	Winkler
Clark	Hausman	Knuth	Melin	Poppe	
Davnie	Hayden	Koenen	Moran	Rukavina	
Dill	Hilstrom	Laine	Morrow	Scalze	
Dittrich	Hilty	Lenczewski	Mullery	Simon	
Eken	Hornstein	Lesch	Murphy, E.	Slawik	

Those who voted in the negative were:

Abeler	Crawford	Gottwalt	Lanning	Murray	Shimanski
Anderson, B.	Daudt	Gruenhagen	Leidiger	Myhra	Smith
Anderson, D.	Dauids	Hackbarth	LeMieur	Nornes	Stensrud
Anderson, P.	Dean	Hancock	Lohmer	O'Driscoll	Swedzinski
Anderson, S.	Dettmer	Holberg	Loon	Pelowski	Torkelson
Banaian	Doepke	Hoppe	Mack	Peppin	Urdahl
Barrett	Downey	Howes	Mazorol	Petersen, B.	Vogel
Beard	Drazkowski	Kelly	McDonald	Quam	Wardlow
Benson, M.	Erickson	Kieffer	McElfatrick	Runbeck	Westrom
Bills	Fabian	Kiel	McFarlane	Sanders	Woodard
Buesgens	Franson	Kiffmeyer	McNamara	Schomacker	Spk. Zellers
Cornish	Garofalo	Kriesel	Murdock	Scott	

The motion did not prevail and the amendment was not adopted.

H. F. No. 1547, A bill for an act relating to redistricting; establishing districting principles for legislative and congressional plans; proposing coding for new law in Minnesota Statutes, chapter 2.

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 70 yeas and 62 nays as follows:

Those who voted in the affirmative were:

Abeler	Crawford	Gottwalt	Lanning	Murray	Smith
Anderson, B.	Daudt	Gruenhagen	Leidiger	Myhra	Stensrud
Anderson, D.	Davids	Hackbarth	LeMieur	Nornes	Swedzinski
Anderson, P.	Dean	Hancock	Lohmer	O'Driscoll	Torkelson
Anderson, S.	Dettmer	Holberg	Loon	Peppin	Urdahl
Banaian	Doepke	Hoppe	Mack	Petersen, B.	Vogel
Barrett	Downey	Howes	Mazorol	Quam	Wardlow
Beard	Draskowski	Kelly	McDonald	Runbeck	Westrom
Benson, M.	Erickson	Kieffer	McElfrick	Sanders	Woodard
Bills	Fabian	Kiel	McFarlane	Schomacker	Spk. Zellers
Buesgens	Franson	Kiffmeyer	McNamara	Scott	
Cornish	Garfalo	Kriesel	Murdock	Shimanski	

Those who voted in the negative were:

Anzelc	Falk	Hortman	Liebling	Murphy, M.	Slawik
Atkins	Fritz	Hosch	Lillie	Nelson	Slocum
Benson, J.	Gauthier	Huntley	Loeffler	Norton	Thissen
Brynaert	Greene	Johnson	Mahoney	Paymar	Tillberry
Carlson	Greiling	Kahn	Mariani	Pelowski	Wagenius
Champion	Hansen	Kath	Marquart	Persell	Ward
Clark	Hausman	Knuth	Melin	Peterson, S.	Winkler
Davnie	Hayden	Koenen	Moran	Poppe	
Dill	Hilstrom	Laine	Morrow	Rukavina	
Dittrich	Hilty	Lenczewski	Mullery	Scalze	
Eken	Hornstein	Lesch	Murphy, E.	Simon	

The bill was passed, as amended, and its title agreed to.

The Speaker called Davids to the Chair.

H. F. No. 8 was reported to the House.

Huntley moved to amend H. F. No. 8, the second engrossment, as follows:

Page 6, line 17, after the period, insert "A health plan purchased under this section must provide coverage for children without any preexisting condition limitations."

A roll call was requested and properly seconded.

The question was taken on the Huntley amendment and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The motion prevailed and the amendment was adopted.

Murphy, E., moved to amend H. F. No. 8, the second engrossment, as amended, as follows:

Page 6, line 11, delete the period, and insert "except that out-of-pocket expenses for an enrollee cannot exceed eight percent of income. For purposes of this limit, out-of-pocket expenses include, but are not limited to, premiums, co-payments and coinsurance, and deductibles."

A roll call was requested and properly seconded.

The question was taken on the Murphy, E., amendment and the roll was called. There were 60 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Anzelc	Eken	Hornstein	Lenczewski	Morrow	Rukavina
Atkins	Falk	Hortman	Lesch	Mullery	Scalze
Benson, J.	Fritz	Hosch	Liebling	Murphy, E.	Simon
Brynaert	Greene	Huntley	Lillie	Murphy, M.	Slawik
Carlson	Greiling	Johnson	Loeffler	Nelson	Slocum
Champion	Hansen	Kahn	Mahoney	Norton	Thissen
Clark	Hausman	Kath	Mariani	Paymar	Tillberry
Davnie	Hayden	Knuth	Marquart	Persell	Wagenius
Dill	Hilstrom	Koenen	Melin	Peterson, S.	Ward
Dittrich	Hilty	Laine	Moran	Poppe	Winkler

Those who voted in the negative were:

Abeler	Crawford	Gottwalt	Lanning	Murray	Shimanski
Anderson, B.	Daudt	Gruenhagen	Leidiger	Myhra	Smith
Anderson, D.	Davids	Hackbarth	LeMieur	Nornes	Stensrud
Anderson, P.	Dean	Hancock	Lohmer	O'Driscoll	Swedzinski
Anderson, S.	Dettmer	Holberg	Loon	Pelowski	Torkelson
Banaian	Doepke	Hoppe	Mack	Peppin	Urdahl
Barrett	Downey	Howes	Mazorol	Petersen, B.	Vogel
Beard	Drazkowski	Kelly	McDonald	Quam	Wardlow
Benson, M.	Erickson	Kieffer	McElfrick	Runbeck	Westrom
Bills	Fabian	Kiel	McFarlane	Sanders	Woodard
Buesgens	Franson	Kiffmeyer	McNamara	Schomacker	Spk. Zellers
Cornish	Garofalo	Kriesel	Murdock	Scott	

The motion did not prevail and the amendment was not adopted.

Liebling moved to amend H. F. No. 8, the second engrossment, as amended, as follows:

Page 9, after line 17, insert:

"Sec. 9. **MEDICARE VOUCHER PROGRAM.**

The commissioner of human services shall seek all federal waivers and approvals necessary for the state of Minnesota to administer the Medicare program for all Medicare enrollees residing in the state. The state-administered Medicare program must:

- (1) provide all Medicare enrollees with a voucher with which to purchase private health insurance;
- (2) adjust voucher amounts to reflect the age and health status of enrollees;
- (3) provide increases in the average voucher amount to reflect the average of growth in the consumer price index for all urban consumers (CPI-U) and the growth in the price index for medical care (CPI-M);
- (4) specify income thresholds to determine whether an enrollee would receive 100 percent, 50 percent, or 30 percent of the voucher amount; and
- (5) provide funding for medical savings accounts for low-income Medicare enrollees."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Liebling amendment and the roll was called. There were 0 yeas and 132 nays as follows:

Those who voted in the negative were:

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

The motion did not prevail and the amendment was not adopted.

Hosch moved to amend H. F. No. 8, the second engrossment, as amended, as follows:

Page 8, after line 5, insert:

"Subd. 8. **Limits on health plan company profits or revenues.** The commissioners of commerce and health shall limit health plan company profits or revenues resulting from the provision of coverage under this section to enrollees to a maximum positive margin of one percent, for state fiscal years beginning on or after July 1, 2011. The commissioners shall require health plan companies to return any amount of profit or revenue above this margin to the commissioner of management and budget, for deposit into the state general fund. For purposes of this subdivision, health plan company has the meaning provided in section 62Q.01, subdivision 4."

A roll call was requested and properly seconded.

Dean moved to amend the Hosch amendment to H. F. No. 8, the second engrossment, as amended, as follows:

Page 1, line 6, delete "fiscal years beginning on or after July 1," and insert "contract year"

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment and the roll was called. There were 72 yeas and 60 nays as follows:

Those who voted in the affirmative were:

Abeler	Crawford	Gottwalt	Lanning	Murphy, E.	Scott
Anderson, B.	Daudt	Gruenhagen	Leidiger	Murray	Shimanski
Anderson, D.	Dauids	Hackbarth	LeMieur	Myhra	Smith
Anderson, P.	Dean	Hancock	Lohmer	Nelson	Stensrud
Anderson, S.	Dettmer	Holberg	Loon	Nornes	Swedzinski
Banaian	Doepke	Hoppe	Mack	O'Driscoll	Torkelson
Barrett	Downey	Howes	Mazorol	Peppin	Urdahl
Beard	Drazkowski	Kelly	McDonald	Petersen, B.	Vogel
Benson, M.	Erickson	Kieffer	McElfatrick	Quam	Wardlow
Bills	Fabian	Kiel	McFarlane	Runbeck	Westrom
Buesgens	Franson	Kiffmeyer	McNamara	Sanders	Woodard
Cornish	Garofalo	Kriesel	Murdock	Schomacker	Spk. Zellers

Those who voted in the negative were:

Anzelc	Falk	Hortman	Liebling	Norton	Thissen
Atkins	Fritz	Hosch	Lillie	Paymar	Tillberry
Benson, J.	Gauthier	Huntley	Loeffler	Pelowski	Wagenius
Brynaert	Greene	Johnson	Mahoney	Persell	Ward
Carlson	Greiling	Kahn	Mariani	Peterson, S.	Winkler
Champion	Hansen	Kath	Marquart	Poppe	
Clark	Hausman	Knuth	Melin	Rukavina	
Davnie	Hayden	Koenen	Moran	Scalze	
Dill	Hilstrom	Laine	Morrow	Simon	
Dittrich	Hilty	Lenczewski	Mullery	Slawik	
Eken	Hornstein	Lesch	Murphy, M.	Slocum	

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Hosch amendment, as amended, and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Clark	Franson	Hornstein	Leidiger	McNamara
Anderson, B.	Cornish	Fritz	Hortman	LeMieur	Melin
Anderson, D.	Crawford	Garofalo	Hosch	Lenczewski	Moran
Anderson, P.	Daudt	Gauthier	Howes	Lesch	Morrow
Anderson, S.	Dauids	Gottwalt	Huntley	Liebling	Mullery
Anzelc	Davnie	Greene	Johnson	Lillie	Murdock
Atkins	Dean	Greiling	Kahn	Loeffler	Murphy, E.
Banaian	Dettmer	Gruenhagen	Kath	Lohmer	Murphy, M.
Barrett	Dill	Hackbarth	Kelly	Loon	Murray
Beard	Dittrich	Hancock	Kieffer	Mack	Myhra
Benson, J.	Doepke	Hansen	Kiel	Mahoney	Nelson
Benson, M.	Downey	Hausman	Kiffmeyer	Mariani	Nornes
Bills	Drazkowski	Hayden	Knuth	Marquart	Norton
Brynaert	Eken	Hilstrom	Koenen	Mazorol	O'Driscoll
Buesgens	Erickson	Hilty	Kriesel	McDonald	Paymar
Carlson	Fabian	Holberg	Laine	McElfatrick	Pelowski
Champion	Falk	Hoppe	Lanning	McFarlane	Peppin

Persell	Rukavina	Scott	Smith	Torkelson	Wardlow
Petersen, B.	Runbeck	Shimanski	Stensrud	Urdahl	Westrom
Peterson, S.	Sanders	Simon	Swedzinski	Vogel	Winkler
Poppe	Scalze	Slawik	Thissen	Wagenius	Woodard
Quam	Schomacker	Slocum	Tillberry	Ward	Spk. Zellers

The motion prevailed and the amendment, as amended, was adopted.

The Speaker resumed the Chair.

H. F. No. 8, A bill for an act relating to human services; establishing the healthy Minnesota contribution program; requiring plan to redesign service delivery for lower-income MinnesotaCare enrollees; requiring the Minnesota Comprehensive Health Association to offer a high-deductible, basic plan; requiring the commissioner of human services to seek federal waivers; amending Minnesota Statutes 2010, sections 62E.08, subdivision 1; 62E.14, by adding a subdivision; 256B.04, subdivision 18; 256L.05, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 62E; 256L.

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 70 yeas and 62 nays as follows:

Those who voted in the affirmative were:

Abeler	Crawford	Gottwalt	Lanning	Murray	Smith
Anderson, B.	Daudt	Gruenhagen	Leidiger	Myhra	Stensrud
Anderson, D.	Davids	Hackbarth	LeMieur	Nornes	Swedzinski
Anderson, P.	Dean	Hancock	Lohmer	O'Driscoll	Torkelson
Anderson, S.	Dettmer	Holberg	Loon	Peppin	Urdahl
Banaian	Doepke	Hoppe	Mack	Petersen, B.	Vogel
Barrett	Downey	Howes	Mazorol	Quam	Wardlow
Beard	Draskowski	Kelly	McDonald	Runbeck	Westrom
Benson, M.	Erickson	Kieffer	McElpatrick	Sanders	Woodard
Bills	Fabian	Kiel	McFarlane	Schomacker	Spk. Zellers
Buesgens	Franson	Kiffmeyer	McNamara	Scott	
Cornish	Garofalo	Kriesel	Murdock	Shimanski	

Those who voted in the negative were:

Anzelc	Falk	Hortman	Liebling	Murphy, M.	Slawik
Atkins	Fritz	Hosch	Lillie	Nelson	Slocum
Benson, J.	Gauthier	Huntley	Loeffler	Norton	Thissen
Brynaert	Greene	Johnson	Mahoney	Paymar	Tillberry
Carlson	Greiling	Kahn	Mariani	Pelowski	Wagenius
Champion	Hansen	Kath	Marquart	Persell	Ward
Clark	Hausman	Knuth	Melin	Peterson, S.	Winkler
Davnie	Hayden	Koenen	Moran	Poppe	
Dill	Hilstrom	Laine	Morrow	Rukavina	
Dittrich	Hilty	Lenczewski	Mullery	Scalze	
Eken	Hornstein	Lesch	Murphy, E.	Simon	

The bill was passed, as amended, and its title agreed to.



H. F. No. 1092 was reported to the House.

Buesgens moved to amend H. F. No. 1092, the first engrossment, as follows:

Page 1, after line 11, insert:

"Sec. 2. Minnesota Statutes 2010, section 124D.10, subdivision 3, is amended to read:

Subd. 3. **Authorizer.** (a) For purposes of this section, the terms defined in this subdivision have the meanings given them.

"Application" to receive approval as an authorizer means the proposal an eligible authorizer submits to the commissioner under paragraph (c) before that authorizer is able to submit any affidavit to charter to a school.

"Application" under subdivision 4 means the charter school business plan a school developer submits to an authorizer for approval to establish a charter school that documents the school developer's mission statement, school purposes, program design, financial plan, governance and management structure, and background and experience, plus any other information the authorizer requests. The application also shall include a "statement of assurances" of legal compliance prescribed by the commissioner.

"Affidavit" means a written statement the authorizer submits to the commissioner for approval to establish a charter school under subdivision 4 attesting to its review and approval process before chartering a school.

"Affidavit" means the form an authorizer submits to the commissioner that is a precondition to a charter school organizing an affiliated nonprofit building corporation under subdivision 17a.

(b) The following organizations may authorize one or more charter schools:

(1) a school board; intermediate school district school board; education district organized under sections 123A.15 to 123A.19;

(2) a charitable organization under section 501(c)(3) of the Internal Revenue Code of 1986, excluding a nonpublic sectarian or religious institution, any person other than a natural person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the nonpublic sectarian or religious institution, and any other charitable organization under this clause that in the federal IRS Form 1023, Part IV, describes activities indicating a religious purpose, that:

(i) is a member of the Minnesota Council of Nonprofits or the Minnesota Council on Foundations;

(ii) is registered with the attorney general's office;

(iii) reports an end-of-year fund balance of at least \$2,000,000; and

(iv) is incorporated in the state of Minnesota;

(3) a Minnesota private college, notwithstanding clause (2), that grants two- or four-year degrees and is registered with the Minnesota Office of Higher Education under chapter 136A; community college, state university, or technical college governed by the Board of Trustees of the Minnesota State Colleges and Universities; or the University of Minnesota; or

(4) a nonprofit corporation subject to chapter 317A, described in section 317A.905, and exempt from federal income tax under section 501(c)(6) of the Internal Revenue Code of 1986, may authorize one or more charter schools if the charter school has operated for at least three years under a different authorizer and if the nonprofit corporation has existed for at least 25 years.

(5) no more than three single-purpose authorizers that are charitable, nonsectarian organizations formed under section 501(c)(3) of the Internal Revenue Code of 1986 and incorporated in the state of Minnesota whose sole purpose is to charter schools. Eligible organizations interested in being approved as an authorizer under this paragraph must submit a proposal to the commissioner that includes the provisions of paragraph (c) and a five-year financial plan. Such authorizers shall consider and approve applications using the criteria provided in subdivision 4 and shall not limit the applications it solicits, considers, or approves to any single curriculum, learning program, or method.

(c) An eligible authorizer under this subdivision must apply to the commissioner for approval as an authorizer before submitting any affidavit to the commissioner to charter a school. The application for approval as a charter school authorizer must demonstrate the applicant's ability to implement the procedures and satisfy the criteria for chartering a school under this section. The commissioner must approve or disapprove an application within 60 business days of the application deadline. If the commissioner disapproves the application, the commissioner must notify the applicant of the deficiencies and the applicant then has 20 business days to address the deficiencies to the commissioner's satisfaction. Failing to address the deficiencies to the commissioner's satisfaction makes an applicant ineligible to be an authorizer. The commissioner, in establishing criteria for approval, must consider the applicant's:

- (1) capacity and infrastructure;
- (2) application criteria and process;
- (3) contracting process;
- (4) ongoing oversight and evaluation processes; and
- (5) renewal criteria and processes.

(d) The affidavit to be submitted to and evaluated by the commissioner must include at least the following:

- (1) how chartering schools is a way for the organization to carry out its mission;
- (2) a description of the capacity of the organization to serve as an authorizer, including the personnel who will perform the authorizing duties, their qualifications, the amount of time they will be assigned to this responsibility, and the financial resources allocated by the organization to this responsibility;

(3) a description of the application and review process the authorizer will use to make decisions regarding the granting of charters, which will include at least the following:

- (i) how the statutory purposes defined in subdivision 1 are addressed;
- (ii) the mission, goals, program model, and student performance expectations;
- (iii) an evaluation plan for the school that includes criteria for evaluating educational, organizational, and fiscal plans;
- (iv) the school's governance plan;

(v) the financial management plan; and

(vi) the administration and operations plan;

(4) a description of the type of contract it will arrange with the schools it charters that meets the provisions of subdivision 6 and defines the rights and responsibilities of the charter school for governing its educational program, controlling its funds, and making school management decisions;

(5) the process to be used for providing ongoing oversight of the school consistent with the contract expectations specified in clause (4) that assures that the schools chartered are complying with both the provisions of applicable law and rules, and with the contract;

(6) the process for making decisions regarding the renewal or termination of the school's charter based on evidence that demonstrates the academic, organizational, and financial competency of the school, including its success in increasing student achievement and meeting the goals of the charter school agreement; and

(7) an assurance specifying that the organization is committed to serving as an authorizer for the full five-year term.

A disapproved applicant under this paragraph may resubmit an application during a future application period.

(e) The authorizer must participate in department-approved training.

(f) An authorizer that chartered a school before August 1, 2009, must apply by June 30, ~~2011~~ 2012, to the commissioner for approval, under paragraph (c), to continue as an authorizer under this section. For purposes of this paragraph, an authorizer that fails to submit a timely application is ineligible to charter a school.

(g) The commissioner shall review an authorizer's performance every five years in a manner and form determined by the commissioner and may review an authorizer's performance more frequently at the commissioner's own initiative or at the request of a charter school operator, charter school board member, or other interested party. The commissioner, after completing the review, shall transmit a report with findings to the authorizer. If, consistent with this section, the commissioner finds that an authorizer has not fulfilled the requirements of this section, the commissioner may subject the authorizer to corrective action, which may include terminating the contract with the charter school board of directors of a school it chartered. The commissioner must notify the authorizer in writing of any findings that may subject the authorizer to corrective action and the authorizer then has 15 business days to request an informal hearing before the commissioner takes corrective action.

(h) The commissioner may at any time take corrective action against an authorizer, including terminating an authorizer's ability to charter a school for:

(1) failing to demonstrate the criteria under paragraph (c) under which the commissioner approved the authorizer;

(2) violating a term of the chartering contract between the authorizer and the charter school board of directors; or

(3) unsatisfactory performance as an approved authorizer.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 1092, A bill for an act relating to education; allowing teachers taking early retirement to continue coaching; modifying the application deadline for certain charter school authorizers; amending Minnesota Statutes 2010, sections 122A.48, subdivision 3; 124D.10, subdivision 3.

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.

Pursuant to rule 2.05, Fabian was excused from voting on the final passage of H. F. No. 1092, the first engrossment, as amended.

There were 125 yeas and 3 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Lesch	Loeffler	Peppin
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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.

### MOTIONS AND RESOLUTIONS

Clark moved that the name of Hayden be added as an author on H. F. No. 307. The motion prevailed.

Quam moved that the name of Greiling be added as an author on H. F. No. 573. The motion prevailed.

Mack moved that the name of Dettmer be added as an author on H. F. No. 695. The motion prevailed.

Murray moved that the name of Schomacker be added as an author on H. F. No. 744. The motion prevailed.

Hackbarth moved that the name of Dill be added as an author on H. F. No. 1283. The motion prevailed.

Hilty moved that his name be stricken as an author on H. F. No. 1440. The motion prevailed.

McNamara moved that the name of Hansen be added as an author on H. F. No. 1451. The motion prevailed.

Slocum moved that the name of Davnie be added as an author on H. F. No. 1460. The motion prevailed.

Ward moved that his name be stricken as an author on H. F. No. 1491. The motion prevailed.

Cornish moved that the name of Murdock be added as an author on H. F. No. 1493. The motion prevailed.

McFarlane moved that the names of Fabian and Urdahl be added as authors on H. F. No. 1579. The motion prevailed.

Mariani moved that the name of Champion be added as an author on H. F. No. 1580. The motion prevailed.

Hansen moved that the name of Hoppe be added as an author on H. F. No. 1583. The motion prevailed.

Dean moved that the name of Kiffmeyer be added as an author on H. F. No. 1584. The motion prevailed.

Knuth moved that the name of Champion be added as an author on H. F. No. 1590. The motion prevailed.

Westrom moved that the name of Franson be added as an author on H. F. No. 1594. The motion prevailed.

Kiffmeyer moved that the name of Dettmer be added as an author on H. F. No. 1597. The motion prevailed.

Kieffer moved that H. F. No. 1362 be recalled from the Committee on Ways and Means and be re-referred to the Committee on State Government Finance. The motion prevailed.

Atkins moved that H. F. No. 1418, now on the General Register, be re-referred to the Committee on Commerce and Regulatory Reform.

A roll call was requested and properly seconded.

The question was taken on the Atkins motion and the roll was called. There were 61 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Anzelc	Clark	Fritz	Hayden	Huntley	Lenczewski
Atkins	Davnie	Gauthier	Hilstrom	Johnson	Lesch
Benson, J.	Dill	Greene	Hilty	Kahn	Liebling
Brynaert	Dittrich	Greiling	Hornstein	Kath	Lillie
Carlson	Eken	Hansen	Hortman	Knuth	Loeffler
Champion	Falk	Hausman	Hosch	Koenen	Mahoney

Mariani	Mullery	Paymar	Rukavina	Thissen
Marquart	Murphy, E.	Pelowski	Scalze	Tillberry
Melin	Murphy, M.	Persell	Simon	Wagenius
Moran	Nelson	Peterson, S.	Slawik	Ward
Morrow	Norton	Poppe	Slocum	Winkler

Those who voted in the negative were:

Abeler	Crawford	Gottwalt	Lanning	Murray	Smith
Anderson, B.	Daudt	Gruenhagen	Leidiger	Myhra	Stensrud
Anderson, D.	Davids	Hackbarth	LeMieur	Nornes	Swedzinski
Anderson, P.	Dean	Hancock	Lohmer	O'Driscoll	Torkelson
Anderson, S.	Dettmer	Holberg	Loon	Peppin	Urdahl
Banaian	Doepke	Hoppe	Mack	Petersen, B.	Vogel
Barrett	Downey	Howes	Mazorol	Quam	Wardlow
Beard	Drazkowski	Kelly	McDonald	Runbeck	Westrom
Benson, M.	Erickson	Kieffer	McElfrick	Sanders	Woodard
Bills	Fabian	Kiel	McFarlane	Schomacker	Spk. Zellers
Buesgens	Franson	Kiffmeyer	McNamara	Scott	
Cornish	Garofalo	Kriesel	Murdock	Shimanski	

The motion did not prevail.

Atkins moved to amend the Permanent Rules of the House of Representatives for the 87th Session as follows:

Add a new rule to read:

"4.16 BUDGET BILL COMPLETION. Any major finance or revenue bill, as defined under House Rule 4.03, on which House/Senate conferees cannot agree, shall be returned to the House on May 6, 2011. This rule only applies to the 2011 regular session, and sunsets after that session adjourns."

A roll call was requested and properly seconded.

Dean moved that the Atkins amendment to the Permanent Rules of the House of Representatives for the 87th Session be referred to the Committee on Rules and Legislative Administration.

A roll call was requested and properly seconded.

The question was taken on the Dean motion and the roll was called. There were 71 yeas and 60 nays as follows:

Those who voted in the affirmative were:

Abeler	Beard	Davids	Fabian	Holberg	Kriesel
Anderson, B.	Benson, M.	Dean	Franson	Hoppe	Lanning
Anderson, D.	Bills	Dettmer	Garofalo	Howes	Leidiger
Anderson, P.	Buesgens	Doepke	Gottwalt	Kelly	LeMieur
Anderson, S.	Cornish	Downey	Gruenhagen	Kieffer	Lohmer
Banaian	Crawford	Drazkowski	Hackbarth	Kiel	Loon
Barrett	Daudt	Erickson	Hancock	Kiffmeyer	Mack

Mazorol	Murdock	Pelowski	Sanders	Stensrud	Wardlow
McDonald	Murray	Peppin	Schomacker	Swedzinski	Westrom
McElfatrick	Myhra	Petersen, B.	Scott	Torkelson	Woodard
McFarlane	Nornes	Quam	Shimanski	Urdahl	Spk. Zellers
McNamara	O'Driscoll	Runbeck	Smith	Vogel	

Those who voted in the negative were:

Anzelc	Eken	Hilty	Lenczewski	Morrow	Rukavina
Atkins	Falk	Hornstein	Lesch	Mullery	Scalze
Benson, J.	Fritz	Hortman	Liebling	Murphy, E.	Simon
Brynaert	Gauthier	Hosch	Lillie	Murphy, M.	Slawik
Carlson	Greene	Huntley	Loeffler	Nelson	Slocum
Champion	Greiling	Johnson	Mahoney	Norton	Thissen
Clark	Hansen	Kahn	Mariani	Paymar	Tillberry
Davnie	Hausman	Kath	Marquart	Persell	Wagenius
Dill	Hayden	Knuth	Melin	Peterson, S.	Ward
Dittrich	Hilstrom	Koenen	Moran	Poppe	Winkler

The motion prevailed and the Atkins amendment to the Permanent Rules of the House of Representatives was referred to the Committee on Rules and Legislative Administration.

#### ADJOURNMENT

Dean moved that when the House adjourns today it adjourn until 3:00 p.m., Monday, May 2, 2011. The motion prevailed.

Dean moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 3:00 p.m., Monday, May 2, 2011.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives

