

## STATE OF MINNESOTA

## EIGHTY-EIGHTH SESSION — 2013

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 TWENTY-SEVENTH DAY

SAINT PAUL, MINNESOTA, MONDAY, MARCH 18, 2013

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

Prayer was offered by Joänne Tromiczak-Neid, Justice Coordinator, Sisters of St. Joseph of Carondelet and Consociates, 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	Dehn, R.	Hausman	Lien	Nornes	Simon
Albright	Dettmer	Hertaus	Lillie	Norton	Simonson
Allen	Dorholt	Hilstrom	Loeffler	O'Driscoll	Sundin
Anderson, M.	Drazkowski	Holberg	Lohmer	O'Neill	Swedzinski
Anderson, P.	Erhardt	Hoppe	Mahoney	Paymar	Theis
Anderson, S.	Erickson, R.	Hornstein	Mariani	Pelowski	Torkelson
Anzelc	Erickson, S.	Hortman	Marquart	Peppin	Uglem
Atkins	Fabian	Howe	Masin	Persell	Urdahl
Barrett	Falk	Huntley	McDonald	Petersburg	Wagenius
Beard	Faust	Isaacson	McNamar	Poppe	Ward, J.A.
Benson, J.	Fischer	Johnson, B.	McNamara	Pugh	Ward, J.E.
Benson, M.	FitzSimmons	Johnson, C.	Melin	Quam	Wills
Bernardy	Franson	Johnson, S.	Metsa	Radinovich	Winkler
Bly	Freiberg	Kahn	Moran	Rosenthal	Woodard
Brynaert	Fritz	Kieffer	Morgan	Runbeck	Yarusso
Carlson	Garofalo	Kiel	Mullery	Sanders	Zellers
Clark	Green	Kresha	Murphy, E.	Savick	Zerwas
Cornish	Gruenhagen	Laine	Murphy, M.	Sawatzky	Spk. Thissen
Daudt	Gunther	Leidiger	Myhra	Schoen	
Davids	Halverson	Lenczewski	Nelson	Schomacker	
Davnie	Hamilton	Lesch	Newberger	Scott	
Dean, M.	Hansen	Liebling	Newton	Selcer	

A quorum was present.

Dill, Hackbarth, Kelly, Loon, Mack and Slocum were excused.

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

## PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA  
OFFICE OF THE GOVERNOR  
SAINT PAUL 55155

March 14, 2013

The Honorable Paul Thissen  
Speaker of the House of Representatives  
The State of Minnesota

Dear Speaker Thissen:

Please be advised that I have received, approved, signed, and deposited in the Office of the Secretary of State H. F. Nos. 66, 90, 365 and 278.

Sincerely,

MARK DAYTON  
Governor

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

The Honorable Paul Thissen  
Speaker of the House of Representatives

The Honorable Sandra L. Pappas  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2013 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S. F. No.</i>	<i>H. F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 2013</i>	<i>Date Filed 2013</i>
	66	4	2:14 p.m. March 14	March 14
	90	5	2:14 p.m. March 14	March 14
	365	6	2:15 p.m. March 14	March 14
	278	7	2:16 p.m. March 14	March 14

Sincerely,

MARK RITCHIE  
Secretary of State

27TH DAY]

MONDAY, MARCH 18, 2013

1065

STATE OF MINNESOTA  
OFFICE OF THE GOVERNOR  
SAINT PAUL 55155

March 15, 2013

The Honorable Paul Thissen  
Speaker of the House of Representatives  
The State of Minnesota

Dear Speaker Thissen:

Please be advised that I have received, approved, signed, and deposited in the Office of the Secretary of State H. F. No. 582.

Sincerely,

MARK DAYTON  
Governor

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

The Honorable Paul Thissen  
Speaker of the House of Representatives

The Honorable Sandra L. Pappas  
President of the Senate

I have the honor to inform you that the following enrolled Act of the 2013 Session of the State Legislature has been received from the Office of the Governor and is deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S. F. No.</i>	<i>H. F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 2013</i>	<i>Date Filed 2013</i>
	582	8	11:10 a.m. March 15	March 15

Sincerely,

MARK RITCHIE  
Secretary of State

## REPORTS OF STANDING COMMITTEES AND DIVISIONS

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

H. F. No. 110, A bill for an act relating to capital investment; appropriating money for a grant to the city of Brainerd for accessibility improvements to the city civic center; authorizing the sale and issuance of state bonds.

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

The report was adopted.

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

H. F. No. 129, A bill for an act relating to commerce; regulating mortgage foreclosures; clarifying the definition of a foreclosure consultant; amending Minnesota Statutes 2012, section 325N.01.

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

The report was adopted.

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

H. F. No. 136, A bill for an act relating to public disclosure; expanding the definition of public official in campaign finance and public disclosure law; amending Minnesota Statutes 2012, sections 10A.01, subdivision 35; 10A.09, subdivisions 1, 6a.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2012, section 10A.01, subdivision 35, is amended to read:

Subd. 35. **Public official.** "Public official" means any:

- (1) member of the legislature;
- (2) individual employed by the legislature as secretary of the senate, legislative auditor, chief clerk of the house of representatives, revisor of statutes, or researcher, legislative analyst, or attorney in the Office of Senate Counsel and Research or House Research;
- (3) constitutional officer in the executive branch and the officer's chief administrative deputy;
- (4) solicitor general or deputy, assistant, or special assistant attorney general;
- (5) commissioner, deputy commissioner, or assistant commissioner of any state department or agency as listed in section 15.01 or 15.06, or the state chief information officer;

(6) member, chief administrative officer, or deputy chief administrative officer of a state board or commission that has either the power to adopt, amend, or repeal rules under chapter 14, or the power to adjudicate contested cases or appeals under chapter 14;

(7) individual employed in the executive branch who is authorized to adopt, amend, or repeal rules under chapter 14 or adjudicate contested cases under chapter 14;

(8) executive director of the State Board of Investment;

(9) deputy of any official listed in clauses (7) and (8);

(10) judge of the Workers' Compensation Court of Appeals;

(11) administrative law judge or compensation judge in the State Office of Administrative Hearings or unemployment law judge in the Department of Employment and Economic Development;

(12) member, regional administrator, division director, general counsel, or operations manager of the Metropolitan Council;

(13) member or chief administrator of a metropolitan agency;

(14) director of the Division of Alcohol and Gambling Enforcement in the Department of Public Safety;

(15) member or executive director of the Higher Education Facilities Authority;

(16) member of the board of directors or president of Enterprise Minnesota, Inc.;

(17) member of the board of directors or executive director of the Minnesota State High School League;

(18) member of the Minnesota Ballpark Authority established in section 473.755;

(19) citizen member of the Legislative-Citizen Commission on Minnesota Resources;

(20) manager of a watershed district, or member of a watershed management organization as defined under section 103B.205, subdivision 13;

(21) supervisor of a soil and water conservation district;

(22) director of Explore Minnesota Tourism;

(23) citizen member of the Lessard-Sams Outdoor Heritage Council established in section 97A.056;

(24) citizen member of the Clean Water Council established in section 114D.30; ~~or~~

(25) member or chief executive of the Minnesota Sports Facilities Authority established in section 473J.07;

(26) district court judge, appeals court judge, or supreme court justice; or

(27) county commissioner.

Sec. 2. Minnesota Statutes 2012, section 10A.07, is amended to read:

**10A.07 CONFLICTS OF INTEREST.**

Subdivision 1. **Disclosure of potential conflicts.** A public official or a local official elected to or appointed by a metropolitan governmental unit who in the discharge of official duties would be required to take an action or make a decision that would substantially affect the official's financial interests or those of an associated business, unless the effect on the official is no greater than on other members of the official's business classification, profession, or occupation, must take the following actions:

(1) prepare a written statement describing the matter requiring action or decision and the nature of the potential conflict of interest;

(2) deliver copies of the statement to the official's immediate superior, if any; and

(3) if a member of the legislature or of the governing body of a metropolitan governmental unit, deliver a copy of the statement to the presiding officer of the body of service.

If a potential conflict of interest presents itself and there is insufficient time to comply with clauses (1) to (3), the public or local official must orally inform the superior or the official body of service or committee of the body of the potential conflict.

Subd. 2. **Required actions.** If the official is not a member of the legislature or of the governing body of a metropolitan governmental unit, the superior must assign the matter, if possible, to another employee who does not have a potential conflict of interest. If there is no immediate superior, the official must abstain, if possible, in a manner prescribed by the board from influence over the action or decision in question. If the official is a member of the legislature, the house of service may, at the member's request, excuse the member from taking part in the action or decision in question. If the official is not permitted or is otherwise unable to abstain from action in connection with the matter, the official must file a statement describing the potential conflict and the action taken. A public official must file the statement with the board and a local official must file the statement with the governing body of the official's political subdivision. The statement must be filed within a week of the action taken.

Subd. 3. **Interest in contract; local officials.** This section does not apply to a local official with respect to a matter governed by sections 471.87 and 471.88.

Subd. 4. **Exception; judges.** Notwithstanding subdivisions 1 and 2, a public official who is a district court judge, an appeals court judge, or a Supreme Court justice is not required to comply with the provisions of this section.

Sec. 3. Minnesota Statutes 2012, section 10A.071, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Gift" means money, real or personal property, a service, a loan, a forbearance or forgiveness of indebtedness, or a promise of future employment, that is given and received without the giver receiving consideration of equal or greater value in return.

(c) "Official" means a public official, an employee of the legislature, ~~a judge~~, or a local official of a metropolitan governmental unit.

Sec. 4. Minnesota Statutes 2012, section 10A.08, is amended to read:

**10A.08 REPRESENTATION DISCLOSURE.**

Subdivision 1. Disclosure required. A public official who represents a client for a fee before an individual, board, commission, or agency that has rulemaking authority in a hearing conducted under chapter 14, must disclose the official's participation in the action to the board within 14 days after the appearance. If the public official fails to disclose the participation within ten business days after the disclosure required by this section was due, the board may impose a late filing fee of \$5 per day, not to exceed \$100, starting on the 11th day after the disclosure was due. The board must send notice by certified mail to a public official who fails to disclose the participation within ten business days after the disclosure was due that the public official may be subject to a civil penalty for failure to disclose the participation. A public official who fails to disclose the participation within seven days after the certified mail notice was sent by the board is subject to a civil penalty imposed by the board of up to \$1,000.

Subd. 2. Exception; judges. Notwithstanding subdivision 1, a public official who is a district court judge, an appeals court judge, or a Supreme Court justice is not required to comply with the provisions of this section.

Sec. 5. Minnesota Statutes 2012, section 10A.09, subdivision 6a, is amended to read:

Subd. 6a. ~~Local officials~~ **Place of filing.** A public official required to file a statement under this section must file it with the board. A local official required to file a statement under this section must file it with the governing body of the official's political subdivision. The governing body must maintain statements filed with it under this subdivision as public data. If an official position is defined as both a public official and as a local official of a metropolitan governmental unit under this chapter, the official must file the statement with the board.

Sec. 6. **EFFECTIVE DATE.**

Sections 1 to 5 are effective January 1, 2014, and apply to public officials elected or appointed to terms of office commencing on or after that date."

Delete the title and insert:

"A bill for an act relating to public disclosure; expanding the definition of public official in campaign finance and public disclosure law; providing clarifying changes; amending Minnesota Statutes 2012, sections 10A.01, subdivision 35; 10A.07; 10A.071, subdivision 1; 10A.08; 10A.09, subdivision 6a."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on State Government Finance and Veterans Affairs.

The report was adopted.

Wagenius from the Committee on Environment, Natural Resources and Agriculture Finance to which was referred:

H. F. No. 207, A bill for an act relating to natural resources; appropriating money from the outdoor heritage fund.

Reported the same back with the following amendments:

Page 1, line 17, delete "91,203,000" and insert "97,644,000"

Page 10, line 10, delete "23,987,000" and insert "30,383,000"

Page 13, after line 20, insert:

**"(i) Metropolitan Regional Parks Wildlife Habitat Protection and Restoration**

\$6,396,000 in the first year is to the Metropolitan Council to restore and enhance fish and wildlife habitat in forests, prairies, and wetlands in the metropolitan regional parks system. Of this amount:

(1) \$500,000 is for Dakota County to convert existing agricultural land and low-quality woods and grassland in Whitetail Woods Regional Park to prairie and oak savanna centered around an existing wetland, resulting in substantial habitat improvements for waterfowl and other wildlife;

(2) \$60,000 is for Dakota County to protect and enhance Miesville Ravine Park Reserve through earth shaping, slope stabilization, and perhaps piping of one severe gully erosion situation and other eroding sites that are presently contributing sediment to Trout Brook, impairing water quality and the brook trout population;

(3) \$500,000 is for the city of St. Paul to restore two acres of prairie adjacent to Pickerel Lake and to plant and enhance an additional two acres of prairie, five acres of forest, and one acre of wetland in Lilydale Regional Park. This will enhance connectivity of existing natural resources including floodplain forest, upland prairie, and emergent marsh;

(4) \$915,000 is for the Minneapolis Park and Recreation Board to protect, restore, and enhance shorelines; reduce invasive upland species; and repair erosion and unpaved walking paths at Sweeney and Twin Lakes and to enhance the Wirth Lake wetland complex; reduce invasive upland species; correct erosion problems; close unauthorized trails; and repair unpaved walking paths in Theodore Wirth Regional Park;

(5) \$468,000 is for Ramsey County to restore 72 acres in Battle Creek Regional Park along the bluff of the Mississippi River, including restoration and enhancement of prairie, savanna, oak woods, and shrub swamp seeps to improve waterfowl and upland game bird feeding and nesting habitats;

(6) \$210,000 is for the Three Rivers Park District to restore the water quality and game fish habitat in Lake Independence in Barker Park Reserve by reducing phosphorus loading from Spurzem and Half Moon Lakes through treatment with aluminum sulfate;



(7) \$400,000 is for the Three Rivers Park District to enhance and restore the quality of Cleary Lake and restore the fishery by controlling curly-leaf pondweed, reducing phosphorus runoff from the watershed, and controlling internal phosphorus cycling with aluminum sulfate;

(8) \$200,000 is for Carver County to restore and enhance Lake Minnewashta Regional Park by converting 37 acres of existing turf or old fields to native prairie and oak savanna. These areas are identified in the park master plan as medium to high potential sites for restoration;

(9) \$270,000 is for Anoka County to restore and enhance 120 acres of prairie and woodland habitat within the 273-acre Mississippi West Regional Park. Outcomes will include increased habitat for game and nongame species and benefits to migratory waterfowl on the Mississippi flyway;

(10) \$200,000 is for Anoka County to restore 45 acres of prairie and oak savanna and remove invasive species from 40 acres of riparian forest land at Rum River Central Regional Park. The restoration will benefit the adjacent 550-acre Cedar Creek Conservation Area, which is open to hunting and was funded through a recent appropriation from the outdoor heritage fund;

(11) \$338,000 is for Scott County to restore and enhance 150 acres within the 1,150-acre conservation-focused Doyle-Kennefick Regional Park. The project site is part of an 850-acre mosaic of natural lands including Minnesota County Biological Survey forest and some of the highest-quality wetlands in Scott County. The park master plan identifies this natural complex to be conserved for habitat and biological diversity with very light recreational development;

(12) \$37,000 is for Scott County to restore and enhance Cedar Lake Farm Regional Park by partnering with the Cedar Lake Improvement District and Scott Watershed Management Organization for four years of treatment to control the curly-leaf pondweed infestation dominating Cedar Lake. The goal is to restore 700 acres of shallow lake, improve fishing opportunities, and increase native aquatic plant habitat;

(13) \$1,523,000 is for Scott County to restore and enhance 302 acres of contiguous forest, wetlands, and lakeshore in Spring Lake Regional Park by improving habitat for interior forest birds, waterfowl, and amphibians. Adjacent to Upper Prior, Spring, and Arctic Lakes, this site is part of a larger permanent habitat network;

(14) \$425,000 is for Washington County to restore and enhance Lake Elmo Park Reserve by creating 168 acres of interconnected tallgrass prairie through the restoration of 12 wetland basins that are scattered throughout an existing tallgrass prairie complex. These diverse landscapes provide critical habitat for native ground-nesting birds; and

(15) \$350,000 is for Washington County to restore and enhance rare and unique forest communities identified by the Department of Natural Resources in Lake Elmo Park Reserve and St. Croix Bluffs Regional Park. These forests provide exceptional habitat for native and migrating bird species and represent some of the best opportunities for avian habitat improvement in Washington County.

Funded projects must implement priority natural resource management plan components of regional park master plans approved by the Metropolitan Council."

Page 13, line 21, delete "(i)" and insert "(j)"

Page 14, line 3, after "costs" insert ", and \$10,000 is for outreach efforts to encourage underrepresented communities to apply for grants under this paragraph"

Page 14, line 8, after "a" insert "cash"

Page 14, delete line 10

Page 15, line 14, delete "1,206,000" and insert "1,251,000"

Page 16, line 4, delete "\$45,000" and insert "\$90,000"

Page 18, after line 35, insert:

**"Subd. 10. Appropriations carryforward; fee title acquisition**

The availability of the appropriation for the following project is extended to July 1, 2015: Laws 2010, chapter 361, article 1, section 2, subdivision 5, paragraph (h), Washington County St. Croix River Land Protection, and the appropriation may be spent on acquisition of land in fee title to protect habitat associated with the St. Croix River Valley. A list of proposed acquisitions must be provided as part of the accomplishment plan.

**Subd. 11. Conservation Corps Minnesota**

A recipient of money from an appropriation under this section must give consideration to and make timely written contact with Conservation Corps Minnesota for possible use of the corps' services to contract for restoration and enhancement services. A copy of the written contact must be filed with the Lessard-Sams Outdoor Heritage Council within 15 days of execution.

Sec. 3. Minnesota Statutes 2012, section 97A.056, subdivision 10, is amended to read:

Subd. 10. **Restoration evaluations.** The commissioner of natural resources and the Board of Water and Soil Resources may convene a technical evaluation panel comprised of five members, including one technical representative from the Board of Water and Soil Resources, one technical representative from the Department of Natural Resources, one technical expert from the University of Minnesota or the Minnesota State Colleges and Universities, and two representatives with expertise in the project being evaluated. The board and the commissioner may add a technical representative from a unit of federal or local government. The members of the technical evaluation panel may not be associated with the restoration, may vary depending upon the projects being reviewed, and shall avoid any potential conflicts of interest. Each year, the board and the commissioner may assign a coordinator to identify a sample of ~~up to ten~~ habitat restoration projects completed with outdoor heritage funding. The coordinator shall secure the restoration plans for the projects specified and direct the technical evaluation panel to evaluate the restorations relative to the law, current science, and the stated goals and standards in the restoration plan and, when applicable, to the Board of Water and Soil Resources' native vegetation establishment and enhancement guidelines. The coordinator shall summarize the findings of the panel and provide a report to the chair of the Lessard-Sams Outdoor Heritage Council and the chairs of the respective house of representatives and senate policy and finance committees with jurisdiction over natural resources and spending from the outdoor heritage fund. The report shall determine if the restorations are meeting planned goals, any problems with the implementation of restorations, and, if necessary, recommendations on improving restorations. The report shall be focused on improving future restorations. Up to one-tenth of one percent of forecasted receipts from the outdoor heritage fund may be used for restoration evaluations under this section.

Sec. 4. Minnesota Statutes 2012, section 97A.056, is amended by adding a subdivision to read:

Subd. 20. **Acquisitions of lands or interest in lands; commissioner approval; appraisals.** (a) A recipient of an appropriation from the outdoor heritage fund that acquires an interest in real property must receive written approval from the commissioner of natural resources prior to the acquisition, if the interest is acquired in whole or in part with the appropriation. Conservation easements to be held by the Board of Water and Soil Resources are not subject to commissioner approval under this section.

(b) The commissioner shall approve acquisitions under this section only when the interest in real property:

(1) is identified as a high priority by the commissioner and meets the objectives and criteria identified in the applicable acquisition plan for the intended management status of the property; or

(2) is otherwise identified by the commissioner as a priority for state financing.

Sec. 5. Minnesota Statutes 2012, section 97A.056, is amended by adding a subdivision to read:

Subd. 21. **Value assessment.** Prior to acquiring an interest in real property with an appropriation from the outdoor heritage fund, a recipient of an appropriation must submit the most recent tax assessed value of the real property and the amount the recipient plans to offer for the interest in real property to the Lessard-Sams Outdoor Heritage Council and the commissioner of natural resources."

Amend the title as follows:

Page 1, line 2, after "fund" insert "; modifying restoration evaluation requirements; establishing certain land acquisition requirements;"

Correct the title numbers accordingly

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

The report was adopted.

Poppe from the Committee on Agriculture Policy to which was referred:

H. F. No. 407, A bill for an act relating to agriculture; appropriating money for the agricultural growth, research, and innovation program.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Environment, Natural Resources and Agriculture Finance without further recommendation.

The report was adopted.

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

H. F. No. 483, A bill for an act relating to health; requiring screening of newborns for critical congenital heart disease; proposing coding for new law in Minnesota Statutes, chapter 144.

Reported the same back with the following amendments:

Page 2, line 3, delete ", and the establishment of a CCHD registry"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 504, A bill for an act relating to workers' compensation reinsurance; eliminating the reinsurance association prefunded limit; amending Minnesota Statutes 2012, section 79.35.

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

The report was adopted.

Nelson from the Committee on Government Operations to which was referred:

H. F. No. 573, A bill for an act relating to insurance; regulating the public employees insurance program; requiring participation by certain school employers; amending Minnesota Statutes 2012, section 43A.316, subdivisions 2, 4, 5, by adding subdivisions.

Reported the same back with the following amendments:

Page 5, line 5, delete the second "coverage" and insert "a bid"

Page 5, line 6, delete "coverage than" and insert "or similar benefits and network as the"

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

The report was adopted.

Liebling from the Committee on Health and Human Services Policy to which was referred:

H. F. No. 588, A bill for an act relating to health; requiring hospitals to provide staffing at levels consistent with nationally accepted standards; requiring reporting of staffing levels; proposing coding for new law in Minnesota Statutes, chapter 144.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **STAFFING PLAN DISCLOSURE ACT.**

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

(b) "Core staffing plan" means the projected number of full-time equivalent nonmanagerial care staff that will be assigned in a 24-hour period to an inpatient care unit.

(c) "Nonmanagerial care staff" means registered nurses, licensed practical nurses, and other health care workers, which may include but is not limited to nursing assistants, nursing aides, patient care technicians, and patient care assistants, who perform nonmanagerial direct patient care functions for more than 50 percent of their scheduled hours on a given patient care unit.

(d) "Inpatient care unit" means a designated inpatient area for assigning patients and staff for which a distinct staffing plan exists and that operates 24 hours per day, seven days per week in a hospital setting. Inpatient care unit does not include any hospital-based clinic, long-term care facility, or outpatient hospital department.

(e) "Staffing hours per patient day" means the number of full-time equivalent nonmanagerial care staff who will ordinarily be assigned to provide direct patient care divided by the expected average number of patients upon which such assignments are based.

(f) "Patient acuity tool" means a system for measuring an individual patient's need for nursing care. This includes utilizing a professional registered nursing assessment of patient condition to assess staffing need.

Subd. 2. **Hospital staffing report.** (a) The chief nursing executive or nursing designee of every reporting hospital in Minnesota under section 144.50 will develop a core staffing plan for each patient care unit.

(b) Core staffing plans shall specify the full-time equivalent for each patient care unit for each 24-hour period.

(c) Prior to submitting the core staffing plan, as required in subdivision 3, hospitals shall consult with representatives of the hospital medical staff, managerial and nonmanagerial care staff, and other relevant hospital personnel about the core staffing plan and the expected average number of patients upon which the staffing plan is based.

Subd. 3. **Standard electronic reporting developed.** The Minnesota Hospital Association shall include each reporting hospital's core staffing plan on the Minnesota Hospital Association's Minnesota Hospital Quality Report Web site. Any substantial changes to the core staffing plan shall be updated within 30 days. The Minnesota Hospital Association shall include on its Web site for each reporting hospital on a quarterly basis the actual direct patient care hours per patient and per unit.

Sec. 2. **STUDY.**

The Department of Health shall convene a work group to study the correlation between nurse staffing levels and patient outcomes. This report shall be presented to the chairs and ranking minority members of the health and human services committees in the house of representatives and the senate by January 15, 2015."

Delete the title and insert:

"A bill for an act relating to health; requiring a hospital staffing report; requiring a study on nurse staffing levels and patient outcomes."

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

The report was adopted.

Paymar from the Committee on Public Safety Finance and Policy to which was referred:

H. F. No. 590, A bill for an act relating to crime; prescribing criminal penalties for assaulting a transit operator; amending Minnesota Statutes 2012, section 609.2231, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, delete lines 14 to 18

Page 1, line 19, delete "(c)" and insert "(b)"

Page 1, line 21, delete ", within the metropolitan" and insert a semicolon

Page 1, delete lines 22 and 23

Page 1, line 24, delete "within the metropolitan area"

Page 2, delete lines 4 and 5

With the recommendation that when so amended the bill pass.

The report was adopted.

Poppe from the Committee on Agriculture Policy to which was referred:

H. F. No. 595, A bill for an act relating to natural resources; establishing a honey bee habitat program; allowing honey bee habitat projects on lands under certain conservation easements; amending Minnesota Statutes 2012, section 103F.515, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 84.

Reported the same back with the following amendments:

Page 1, line 8, after "establish" insert "criteria for"

Page 1, line 9, delete everything after the period and insert "The criteria must include identification of"

Page 1, line 10, delete "shall identify" and delete "and ensure" and insert "so that"

Page 1, delete lines 12 to 16 and insert "Other required criteria include: a list of suitable plantings, whether to exclude native prairies or scientific and natural areas, whether to incorporate nonnative species, and other criteria necessary for a successful program."

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

The report was adopted.

Atkins from the Committee on Commerce and Consumer Protection Finance and Policy to which was referred:

H. F. No. 634, A bill for an act relating to commerce; weights and measures; clarifying sales from bulk to ensure compliance with biodiesel fuel mandate; adding a requirement for identical product pricing; making technical updates to bring state into compliance with most recent federal fuel standards; modifying E85 requirements; amending Minnesota Statutes 2012, sections 239.092; 239.751, by adding a subdivision; 239.761, subdivisions 3, 4, 5, 6, 7, 8, 10, 11, 13, 16, 17, by adding a subdivision; 239.77, subdivision 1; 296A.01, subdivision 19.

Reported the same back with the following amendments:

Page 1, delete section 1

Page 2, delete section 2 and insert:

"Section 1. Minnesota Statutes 2012, section 239.751, is amended by adding a subdivision to read:

Subd. 9. **Identical pricing product requirement.** Petroleum product dispensed from a single storage tank or from multiple storage tanks that are joined in such a manner that the product is commingled while still in the tanks must have an identical base price at each retail dispenser from which it is offered for sale. This requirement does not preclude the application of discounts for cash, self-service, customer loyalty programs, or other discount programs on any basis except octane to the base price at each dispenser.

For the purpose of this subdivision, "base price" means the highest unit price of a petroleum product dispensed from a single storage tank or from multiple storage tanks that are joined in such a manner that the product is commingled while still in the tanks, including taxes and fees, and before the application of discounts, including, but not limited to, discounts for cash, self-service, customer loyalty programs, and coupons."

Page 4, delete section 8 and insert:

"Sec. 7. Minnesota Statutes 2012, section 239.761, subdivision 8, is amended to read:

Subd. 8. **Diesel fuel oil.** ~~Diesel fuel oil must comply with ASTM specification D975-07b.~~ (a) When diesel fuel oil is not blended with biodiesel, it must comply with ASTM specification D975-12a.

(b) When diesel fuel oil is a blend of up to five volume percent biodiesel, the diesel component must comply with ASTM specification D975-12a and the biodiesel component must comply with ASTM specification D675-11b."

Page 4, line 18, strike "at least 60 percent"

Page 4, line 19, strike "ethanol and"

Page 5, line 6, before "shall" insert "sold to an end user" and delete everything after "than" and insert "87."

Page 5, delete lines 7 to 9

Page 5, after line 21, insert:

"Sec. 15. Minnesota Statutes 2012, section 239.77, subdivision 4, is amended to read:

Subd. 4. **Disclosure.** (a) A refinery or terminal shall provide, at the time diesel fuel is sold or transferred from the refinery or terminal, a bill of lading or shipping manifest to the person who receives the fuel. For biodiesel-blended products, the bill of lading or shipping manifest must disclose biodiesel content, stating volume percentage, gallons of biodiesel per gallons of petroleum diesel base-stock, or an ASTM "Bxx" designation where "xx" denotes the volume percent biodiesel included in the blended product. This subdivision does not apply to sales or transfers of biodiesel blend stock between refineries, between terminals, or between a refinery and a terminal.

(b) A delivery ticket required under section 239.092 for a biodiesel blend must state the volume percent of biodiesel blended into the diesel fuel delivered through a meter into a storage tank used for dispensing into motor vehicles powered by an internal combustion engine and not exempt under subdivision 3.

Sec. 16. Minnesota Statutes 2012, section 239.791, subdivision 8, is amended to read:

Subd. 8. **Disclosure.** (a) A refinery or terminal, shall provide, at the time gasoline is sold or transferred from the refinery or terminal, a bill of lading or shipping manifest to the person who receives the gasoline. For oxygenated gasoline, the bill of lading or shipping manifest must include the identity and the volume percentage or gallons of oxygenate included in the gasoline, and it must state: "This fuel contains an oxygenate. Do not blend this fuel with ethanol or with any other oxygenate. "For nonoxygenated gasoline sold or transferred after September 30, 1997, the bill or manifest must state: "This fuel is not oxygenated. It must not be sold at retail in Minnesota." This subdivision does not apply to sales or transfers of gasoline between refineries, between terminals, or between a refinery and a terminal.

(b) A delivery ticket required under section 239.092 for biofuel blended with gasoline must state the volume percent of biofuel blended into gasoline delivered through a meter into a storage tank used for dispensing by persons not exempt under subdivisions 10 to 14."

Page 5, line 25, delete "greater than 50" and strike everything after "volume" and insert a period

Page 5, strike line 26

Page 5, line 27, strike everything before "E85"

Page 5, line 31, delete "16" and insert "17"

Renumber the sections in sequence



Amend the title as follows:

Page 1, line 2, delete everything after the second semicolon

Page 1, line 3, delete everything before "adding"

Page 1, line 5, after the first semicolon, insert "establishing a minimum octane rating; modifying disclosure requirements for biodiesel and biofuel blends;"

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

Paymar from the Committee on Public Safety Finance and Policy to which was referred:

H. F. No. 637, A bill for an act relating to elections; modifying provisions related to voter registration; modifying certain election administration procedures for individuals who have been convicted of a felony; appropriating money; amending Minnesota Statutes 2012, sections 201.054, subdivision 2, by adding a subdivision; 201.157; 201.275; 203B.06, subdivision 3; 204C.14; 241.065, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 244.

Reported the same back with the following amendments:

Page 4, delete section 4 and insert:

"Sec. 4. Minnesota Statutes 2012, section 201.275, is amended to read:

**201.275 INVESTIGATIONS; PROSECUTIONS.**

A county attorney who law enforcement agency that is notified by affidavit of an alleged violation of this chapter shall promptly investigate. If there is probable cause for instituting a prosecution, the county attorney shall proceed by complaint or present the charge, with whatever evidence has been found, to the grand jury. A county attorney who refuses or intentionally fails to faithfully perform this or any other duty imposed by this chapter is guilty of a misdemeanor and upon conviction shall forfeit office. The county attorney, under the penalty of forfeiture of office, shall prosecute all violations of this chapter except violations of this section; if, however, a complainant withdraws an allegation under this chapter, the county attorney is not required to proceed with the prosecution according to the generally applicable standards regarding the prosecutorial functions and duties of a county attorney."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on State Government Finance and Veterans Affairs.

The report was adopted.

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

H. F. No. 662, A bill for an act relating to health; modifying a provision in the health professional education loan forgiveness program; requiring radon education disclosure for residential real property; changing provisions for tuberculosis standards; changing adverse health events reporting requirements; modifying a poison control provision; providing liability coverage for certain volunteer medical personnel and permitting agreements to conduct criminal background studies; defining occupational therapy practitioners; changing provisions for occupational therapy; amending prescribing authority for legend drugs; amending Minnesota Statutes 2012, sections 144.1501, subdivision 4; 144.50, by adding a subdivision; 144.55, subdivision 3; 144.56, by adding a subdivision; 144.7065, subdivisions 2, 3, 4, 5, 6, 7, by adding a subdivision; 144A.04, by adding a subdivision; 144A.45, by adding a subdivision; 144A.752, by adding a subdivision; 144D.08; 145.93, subdivision 3; 145A.04, by adding a subdivision; 145A.06, subdivision 7; 148.6402, by adding a subdivision; 148.6440; 151.37, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 144; 145A; repealing Minnesota Statutes 2012, sections 144.1487; 144.1488, subdivisions 1, 3, 4; 144.1489; 144.1490; 144.1491.

Reported the same back with the following amendments:

Page 2, delete section 2 and insert:

"Sec. 2. **144.4961 MINNESOTA RADON AWARENESS ACT.**

Subdivision 1. **Citation.** This section may be cited as the "Minnesota Radon Awareness Act."

Subd. 2. **Definitions.** (a) The following terms used in this section have the meanings give them.

(b) "Buyer" means any individual, partnership, corporation, or trustee entering into an agreement to purchase any residential real estate or interest in real property.

(c) "Elevated radon concentration" means a radon concentration above the United States Environmental Protection Agency's radon action level.

(d) "Mitigation" means measures designed to permanently reduce indoor radon concentrations.

(e) "Radon test" means a measurement of indoor radon concentrations according to established industry standards for residential real property.

(f) "Residential real property" means property occupied as, or intended to be occupied as, a single-family residence, including a unit in a common interest community as defined in section 515B.1-103, clause (10), regardless of whether the unit is in a common interest community not subject to chapter 515B.

(g) "Seller" means any individual, partnership, corporation, or trustee transferring residential real property in return for consideration.

Subd. 3. **Radon disclosure.** (a) Before signing an agreement to sell or transfer residential real property, the seller or transferor shall disclose in writing to the buyer or transferee any knowledge the seller or transferor has of radon concentrations in the dwelling. The disclosure shall include:

(1) whether a radon test or tests have occurred on the property;

(2) the most current records and reports pertaining to radon concentrations within the dwelling;

(3) a description of any radon concentrations, mitigation, or remediation;

(4) information regarding the radon mitigation system, including system description and documentation, if such system has been installed in the dwelling; and

(5) a radon warning statement, meeting the requirements of subdivision 4.

(b) The seller or transferor shall provide the buyer or transferee with the Minnesota Department of Health publication entitled "Radon in Real Estate Transactions."

(c) If any of the requirements of this section occur after the buyer signs an agreement to purchase or transfer the residential real property, the seller shall complete the required activities prior to signing an agreement to sell or transfer the residential real property and allow the buyer an opportunity to review the information and possibly amend the agreement without penalty to the buyer.

Subd. 4. **Radon warning statement.** The radon warning statement must include the following language:

"Radon Warning Statement

The Minnesota Department of Health strongly recommends that ALL homebuyers have an indoor radon test performed prior to purchasing or taking occupancy and recommends having the radon levels mitigated if elevated radon concentrations are found. Elevated radon concentrations can easily be reduced by a qualified, certified, or licensed, if applicable, radon mitigator.

Every buyer of an interest in residential real property is notified that the property may present exposure to dangerous levels of indoor radon gas that may place the occupants at risk of developing radon-induced lung cancer. Radon, a Class A human carcinogen, is the leading cause of lung cancer in nonsmokers and the second leading cause overall. The seller of an interest in residential real property is required to provide the buyer with any information on radon test results of the dwelling."

**EFFECTIVE DATE.** This section is effective January 1, 2014, and applies to an agreement to sell or transfer residential real property executed on or after that date."

Page 15, line 7, delete ", adjudicated delinquent,"

Page 15, line 12, delete "used to match state health occupational licensing or national databases"

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

The report was adopted.

Paymar from the Committee on Public Safety Finance and Policy to which was referred:

H. F. No. 690, A bill for an act relating to employment; limiting reliance on criminal history for employment purposes; providing for remedies; imposing penalties; amending Minnesota Statutes 2012, sections 181.981, subdivision 1; 364.021; 364.06; 364.09; 364.10.

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

The report was adopted.

Nelson from the Committee on Government Operations to which was referred:

H. F. No. 699, A bill for an act relating to military officers; providing for reimbursement grants to local units of government for public safety personnel on authorized leave; amending Minnesota Statutes 2012, sections 190.16, by adding a subdivision; 192.26, by adding a subdivision.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on State Government Finance and Veterans Affairs.

The report was adopted.

Mullery from the Committee on Early Childhood and Youth Development Policy to which was referred:

H. F. No. 703, A bill for an act relating to human services; modifying a child care assistance financial eligibility provision; modifying commissioner's duties; amending Minnesota Statutes 2012, sections 119B.09, subdivision 9a; 256.01, by adding a subdivision.

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.

Nelson from the Committee on Government Operations to which was referred:

H. F. No. 731, A bill for an act relating to natural resources; modifying commissioner's authority; providing for exemption for water-related service provider training; extending Matthew Lourey Trail; modifying certain fees; creating certain state park permit exemption; providing for duplicate cross-country ski pass; providing for wildlife rehabilitation permit exemption; requiring rulemaking; amending Minnesota Statutes 2012, sections 84.027, by adding a subdivision; 84D.108, subdivision 2; 85.015, subdivision 13; 85.054, by adding a subdivision; 85.055, subdivision 1; 85.42; 97A.401, subdivision 3.

Reported the same back with the following amendments:

Page 1, delete section 2 and insert:

"Sec. 2. Minnesota Statutes 2012, section 84D.108, subdivision 2, is amended to read:

Subd. 2. **Permit requirements.** (a) Service providers must complete invasive species training provided by the commissioner and pass an examination to qualify for a permit. Service provider permits are valid for three calendar years.

(b) A \$50 application and testing fee is required for service provider permit applications.

(c) Persons working for a permittee must satisfactorily complete aquatic invasive species-related training provided by the commissioner, except as provided under paragraph (d).

(d) A person working for and supervised by a permittee is not required to complete the training under paragraph (c) if the water-related equipment or other water-related structures remain on the riparian property owned or controlled by the permittee and are only removed from and placed into the same water of the state."

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

The report was adopted.

Nelson from the Committee on Government Operations to which was referred:

H. F. No. 742, A bill for an act relating to natural resources; modifying commissioner's authorities and duties; modifying definitions; modifying watercraft provisions; providing for certain license seizures; modifying game and fish license provisions; modifying trespass law; modifying requirements for taking game and fish; providing for certain all-terrain vehicle registration and watercraft license exemptions; modifying nonresident all-terrain vehicle state trail pass requirements; requiring rulemaking; amending Minnesota Statutes 2012, sections 84.027, subdivision 13, by adding subdivisions; 84.922, subdivision 1a; 84.9275, subdivision 1; 86B.005, subdivision 18, by adding subdivisions; 86B.301, subdivision 2; 86B.501, subdivision 1; 86B.825, subdivision 2; 97A.135, subdivision 3; 97A.420, subdivision 1; 97A.441, subdivisions 6, 6a; 97A.445, subdivision 1; 97A.451, subdivisions 3, 3b, 4, 5, by adding a subdivision; 97A.475, subdivisions 2, 8; 97A.485, subdivision 6; 97B.001, subdivisions 3, 4; 97B.0215; 97B.022, subdivision 2; 97B.055, subdivision 2; 97B.071; 97B.112; 97C.341; 97C.345, subdivisions 1, 2; 97C.375; 97C.376, subdivisions 1, 2, 3; repealing Minnesota Statutes 2012, sections 97A.451, subdivision 4a; 97C.346; Minnesota Rules, part 6264.0400, subpart 8.

Reported the same back with the following amendments:

Page 2, line 34, strike "adopted" and insert "effective"

Page 4, after line 29, insert:

**"EFFECTIVE DATE. This section is effective January 1, 2014."**

Page 13, delete sections 25 and 26

Page 19, after line 29, insert:

"Sec. 40. **RULEMAKING; REMOVING SPEARING RESTRICTIONS.**

The commissioner of natural resources shall amend Minnesota Rules, part 6264.0400, subparts 8, 27, 74, 75, and 76, to remove restrictions on taking fish by spearing for the following lakes: Big Mantrap, Lobster, Beers, West Battle, Deer, Cross, Sugar, Eagle, Owasso, North Star, Moose, and Spider. The commissioner may use the good cause exemption under Minnesota Statutes, section 14.388, to adopt rules under this section, and Minnesota Statutes, section 14.386, does not apply, except as provided under Minnesota Statutes, section 14.388."

Page 20, line 2, delete ", and"

Page 20, line 3, delete "Minnesota Rules, part 6264.0400, subpart 8"

ReNUMBER the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 4, delete the second "modifying"

Page 1, line 5, delete "trespass law;"

Correct the title numbers accordingly

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

The report was adopted.

Poppe from the Committee on Agriculture Policy to which was referred:

H. F. No. 757, A bill for an act relating to natural resources; providing Minnesota Zoo certain wild animal exemptions; amending Minnesota Statutes 2012, section 85A.02, subdivision 10.

Reported the same back with the following amendments:

Page 1, line 7, delete "and 97A" and insert "97A, 97B, and 97C"

Page 1, line 12, delete "chapter 97A" and insert "chapters 97A, 97B, 97C,"

Page 1, line 13, delete everything after the period

Page 1, delete line 14

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

The report was adopted.

Liebling from the Committee on Health and Human Services Policy to which was referred:

H. F. No. 766, A bill for an act relating to human services; modifying pilot programs for health care delivery networks; amending Minnesota Statutes 2012, section 256B.0756.

Reported the same back with the following amendments:

Page 1, line 12, after the period, insert "The commissioner may identify individuals to be enrolled in the Hennepin County pilot program based on zip code in Hennepin County or whether the individuals would benefit from an integrated health care delivery network."

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

The report was adopted.

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

H. F. No. 792, A bill for an act relating to civil actions; prohibiting waivers of liability for negligent conduct; proposing coding for new law in Minnesota Statutes, chapter 604.

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

The report was adopted.

Erhardt from the Committee on Transportation Policy to which was referred:

H. F. No. 798, A bill for an act relating to transportation; data practices; classifying certain Minnesota road use test participation data; classifying certain construction manager and general contractor contract data; amending Minnesota Statutes 2012, section 13.72, by adding subdivisions.

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

The report was adopted.

Paymar from the Committee on Public Safety Finance and Policy to which was referred:

H. F. No. 804, A bill for an act relating to corrections; allowing Department of Corrections to access data to track employment of offenders sentenced to probation for the purpose of case planning; amending Minnesota Statutes 2012, section 268.19, subdivision 1.

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

The report was adopted.

Nelson from the Committee on Government Operations to which was referred:

H. F. No. 826, A bill for an act relating to education; providing for safe and supportive schools; authorizing rulemaking; appropriating money; amending Minnesota Statutes 2012, sections 120B.36, subdivision 1; 121A.55; 121A.69, subdivision 3; 122A.60, subdivisions 1a, 3; 124D.10, subdivision 8; 124D.895, subdivision 1; 124D.8955; 125B.15; 127A.42, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 121A; 127A; repealing Minnesota Statutes 2012, sections 121A.03; 121A.0695.

Reported the same back with the following amendments:

Page 3, line 13, delete the first "community" and insert "or district"

Page 3, line 21, after "contractor" insert ", if a contractor regularly interacts with students."

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

The report was adopted.

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

H. F. No. 829, A bill for an act relating to housing; landlord and tenant; amending certain provisions relating to tenants holding over; modifying certain time for appeal and notice of hearing; making technical, clarifying, and conforming changes; amending Minnesota Statutes 2012, sections 504B.285, subdivisions 1a, 1b; 504B.371, subdivision 2; 504B.385, subdivision 5; repealing Minnesota Statutes 2012, section 504B.285, subdivision 1c.

Reported the same back with the following amendments:

Page 1, after line 8, insert:

"Section 1. Minnesota Statutes 2012, section 504B.151, subdivision 1, is amended to read:

Subdivision 1. **Limitation on lease and notice to tenant.** (a) Once a landlord has received notice of a contract for deed cancellation under section 559.21 or notice of a mortgage foreclosure sale under chapter 580 or 582, or summons and complaint under chapter 581, the landlord may only enter into (i) a periodic residential lease agreement with a term of not more than two months or the time remaining in the contract cancellation period or the mortgagor's redemption period, whichever is less or (ii) a fixed term residential tenancy not extending beyond the cancellation period or the landlord's period of redemption until:

- (1) the contract for deed has been reinstated or paid in full;
- (2) the mortgage default has been cured and the mortgage reinstated;
- (3) the mortgage has been satisfied;
- (4) the property has been redeemed from a foreclosure sale; or
- (5) a receiver has been appointed.

(b) Before entering into a lease under this section and accepting any rent or security deposit from a tenant, the landlord must notify the prospective tenant in writing that the landlord has received notice of a contract for deed cancellation or notice of a mortgage foreclosure sale as appropriate, and the date on which the contract cancellation period or the mortgagor's redemption period ends.

(c) This section does not apply to a manufactured home park as defined in section 327C.01, subdivision 5.

(d) A landlord who violates the requirements in this subdivision is liable to the lessee for a civil penalty of \$500, unless the landlord falls under the exception in subdivision 2. The remedy provided under this paragraph is in addition to and shall not limit other rights or remedies available to landlords and tenants."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after "tenant," insert "imposing civil penalty for certain violations;"

Correct the title numbers accordingly

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

The report was adopted.

Atkins from the Committee on Commerce and Consumer Protection Finance and Policy to which was referred:

H. F. No. 857, A bill for an act relating to public pensions; imposing an insurance surcharge; modifying pension aids; providing pension funding; amending Minnesota Statutes 2012, section 69.021, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 297I.

Reported the same back with the following amendments:



Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2012, section 69.021, is amended by adding a subdivision to read:

Subd. 12. **Surcharge aid accounts.** (a) A surcharge fire pension aid account is established in the general fund to receive amounts as provided under section 297I.07, subdivision 3, clause (1). The commissioner shall administer the account and allocate money in the account as follows:

(1) 17.342 percent as supplemental state pension funding paid to the executive director of the Public Employees Retirement Association for deposit in the public employees police and fire retirement fund established by section 353.65, subdivision 1;

(2) 8.658 percent to municipalities employing firefighters with retirement coverage by the public employees police and fire retirement plan, allocated in proportion to the relationship that the preceding June 30 number of firefighters employed by each municipality who have public employees police and fire retirement plan coverage bears to the total preceding June 30 number of municipal firefighters covered by the public employees police and fire retirement plan; and

(3) 74 percent for municipalities other than the municipalities receiving a disbursement under clause (2) which qualified to receive fire state aid in that calendar year, allocated in proportion to the most recent amount of fire state aid paid under subdivision 7 for the municipality bears to the most recent total fire state aid for all municipalities other than the municipalities receiving a disbursement under clause (2) paid under subdivision 7, with the allocated amount for fire departments participating in the voluntary statewide lump-sum volunteer firefighter retirement plan paid to the executive director of the Public Employees Retirement Association for deposit in the fund established by section 353G.02, subdivision 3, and credited to the respective account and with the balance paid to the treasurer of each municipality for transmittal within 30 days of receipt to the treasurer of the applicable volunteer firefighter relief association for deposit in its special fund.

(b) A surcharge police pension aid account is established in the general fund to receive amounts as provided by section 297I.07, subdivision 3, clause (2). The commissioner shall administer the account and allocate money in the account as follows:

(1) one-third to be distributed as police state aid as provided under subdivision 7a; and

(2) two-thirds to be apportioned, on the basis of the number of active police officers certified for police state aid receipt under section 69.011, subdivisions 2 and 2b, between:

(i) the executive director of the Public Employees Retirement Association for deposit as a supplemental state pension funding aid in the public employees police and fire retirement fund established by section 353.65, subdivision 1; and

(ii) the executive director of the Minnesota State Retirement System for deposit as a supplemental state pension funding aid in the state patrol retirement fund.

(c) On or before September 1, annually, the executive director of the Public Employees Retirement Association shall report to the commissioner the following:

(1) the municipalities which employ firefighters with retirement coverage by the public employees police and fire retirement plan;

(2) the number of firefighters with public employees police and fire retirement plan employed by each municipality;

(3) the fire departments covered by the voluntary statewide lump-sum volunteer firefighter retirement plan; and

(4) any other information requested by the commissioner to administer the surcharge fire pension aid account.

(d) For this subdivision, (i) the number of firefighters employed by a municipality who have public employees police and fire retirement plan coverage means the number of firefighters with public employees police and fire retirement plan coverage that were employed by the municipality for not less than 30 hours per week for a minimum of six months prior to December 31 preceding the date of the payment under this section and, if the person was employed for less than the full year, prorated to the number of full months employed; and, (ii) the number of active police officers certified for police state aid receipt under section 69.011, subdivisions 2 and 2b means, for each municipality, the number of police officers meeting the definition of peace officer in section 69.011, subdivision 1, counted as provided and limited by section 69.011, subdivisions 2 and 2b.

(e) The payments under this section shall be made on October 1 each year, based on the amount in the surcharge fire pension aid account and the amount in the surcharge police pension aid account on the preceding June 30, with interest at 1 percent for each month, or portion of a month, that the amount remains unpaid after October 1. The amounts necessary to make the payments under this subdivision are annually appropriated to the commissioner from the surcharge fire and police pension aid accounts. Any necessary adjustments shall be made to subsequent payments.

(f) The provisions of this chapter that prevent municipalities and relief associations from being eligible for, or receiving state aid under this chapter until the applicable financial reporting requirements have been complied with, apply to the amounts payable to municipalities and relief associations under this subdivision.

**EFFECTIVE DATE.** This section is effective beginning in the fiscal year beginning July 1, 2013.

**Sec. 2. [2971.07] SURCHARGE ON HOMEOWNERS AND AUTO POLICIES.**

**Subdivision 1. Surcharge on policies.** (a) Each licensed insurer engaged in writing insurance shall collect a surcharge equal to \$5 per calendar year for each policy issued or renewed during that calendar year for:

(1) homeowners insurance authorized in section 60A.06, subdivision 1, clause (1)(c); and

(2) automobile insurance as defined in section 65B.14, subdivision 2.

(b) The surcharge amount collected under this subdivision must not be considered premium for any other purpose. The surcharge amount must be separately stated on either a billing or policy declaration or document containing similar information sent to an insured.

**Subd. 2. Collection and administration.** The commissioner shall administer the surcharge imposed by this section in the same manner as the taxes imposed by this chapter.

**Subd. 3. Deposit of revenues.** The commissioner shall deposit revenues from the surcharge under this section as follows:

(1) amounts from the surcharge imposed under subdivision 1, paragraph (a), clause (1), in a surcharge fire pension aid account in the general fund; and

(2) amounts from the surcharge imposed under subdivision 1, paragraph (a), clause (2), in a surcharge police pension aid account in the general fund.

Subd. 4. **Surcharge termination.** The surcharge imposed under subdivision 1 ends on the December 31 next following the actuarial valuation date on which the assets of the retirement plan on a market value equals or exceeds 90 percent of the total actuarial accrued liabilities of the retirement plan as disclosed in an actuarial valuation prepared under section 356.215 and the Standards for Actuarial Work promulgated by the Legislative Commission on Pensions and Retirement, for the State Patrol retirement plan or the public employees police and fire retirement plan, whichever occurs last.

**EFFECTIVE DATE.** This section is effective for policies issued after June 30, 2013."

Delete the title and insert:

"A bill for an act relating to public pensions; imposing an insurance surcharge; modifying pension aids; providing pension funding; amending Minnesota Statutes 2012, section 69.021, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 297I."

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

The report was adopted.

Nelson from the Committee on Government Operations to which was referred:

H. F. No. 883, A bill for an act relating to economic development; creating a trade policy advisory group; proposing coding for new law in Minnesota Statutes, chapter 116J.

Reported the same back with the following amendments:

Page 1, line 10, delete "11" and insert "13"

Page 1, line 13, delete "a representative" and insert "two representatives"

Page 2, line 1, delete "other"

Page 2, line 15, delete "government procurement agreements of"

Page 2, line 16, delete "government procurement" and insert "federal trade"

Page 2, line 21, delete "government" and insert "federal trade"

Page 2, line 22, delete "procurement"

Page 2, delete lines 24 and 25

Page 2, line 26, delete "(6)" and insert "(5)"

Page 2, line 28, delete "as directed by the governor or the legislature"

Page 2, line 29, delete "(7)" and insert "(6)"

Page 2, after line 32, insert:

"Sec. 2. **REPORT TO LEGISLATURE REQUIRED.**

(a) The Department of Administration must file with the governor, the speaker of the house, the majority leader of the senate, and the trade policy advisory group an annual report analyzing the following impacts of trade policy on the state:

(1) an audit of the amount of public contract work being performed overseas;

(2) an audit of government goods being procured from overseas;

(3) a study of the impact of federal trade agreements and local employment levels, tax revenues, and retraining and adjustment costs;

(4) an analysis of the constraints trade rules place on state regulatory authority including, but not limited to, the state's ability to preserve the environment, protect public health and safety, and provide high-quality public services; and

(5) findings and recommendations of specific actions the state should take in response to the impacts of trade on the state identified in clauses (1) to (4). These actions may include, but shall not be limited to:

(i) revocation of the state's consent to be bound by the procurement rules of international trade agreements;

(ii) prohibition of offshore performance of state contract work and preferences for domestic content in state purchasing;

(iii) state support for cases brought under federal trade laws by residents of the state;

(iv) state advocacy for reform of trade agreements and trade laws at the federal level; and

(v) implementation of a growth strategy formulated with business, labor, and community participation. The strategy may include, but not be limited to:

(A) more effective early warning and layoff aversion measures;

(B) increased assistance and adjustment programs for displaced workers and trade-impacted communities;

(C) stronger standards and accountability for recipients of state subsidies and incentives;

(D) investments in workforce training and development;

(E) investments in technology and infrastructure; and

(F) increased access to capital for local producers.

(b) Within 30 days of receipt of the annual trade impact report:

(1) the governor shall review the report and issue a public statement explaining which of the report's recommendations for specific action under paragraph (a), clause (5), the governor must act upon in the next 30 days, whether through executive action or proposed legislation; and

(2) the legislature shall review the report, hold public hearings on the report's recommendations for specific action under paragraph (a), clause (5), and introduce legislation to enact those recommendations accepted by the legislature."

Amend the title as follows:

Page 1, line 2, after the second semicolon, insert "requiring a report;"

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

The report was adopted.

Liebling from the Committee on Health and Human Services Policy to which was referred:

H. F. No. 886, A bill for an act relating to human services; providing nursing facility and elderly waiver rate increases; amending Minnesota Statutes 2012, section 256B.434, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 12, delete the colon and insert a semicolon

Page 1, after line 12, insert:

"(2) a quality add-on equal to:"

Page 1, line 16, delete "nursing facilities are eligible for"

Page 1, line 22, delete "(2)" and insert "(3)"

Page 2, lines 4 and 20, delete "(2)" and insert "(3)"

Page 6, line 4, delete "subdivision" and insert "section"

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

The report was adopted.

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

H. F. No. 892, A bill for an act relating to families; updating the Uniform Interstate Family Support Act; amending Minnesota Statutes 2012, sections 518C.101; 518C.102; 518C.103; 518C.201; 518C.202; 518C.203; 518C.204; 518C.205; 518C.206; 518C.207; 518C.208; 518C.209; 518C.301; 518C.303; 518C.304; 518C.305;

518C.306; 518C.307; 518C.308; 518C.310; 518C.311; 518C.312; 518C.313; 518C.314; 518C.316; 518C.317; 518C.318; 518C.319; 518C.401; 518C.501; 518C.503; 518C.504; 518C.505; 518C.506; 518C.508; 518C.601; 518C.602; 518C.603; 518C.604; 518C.605; 518C.606; 518C.607; 518C.608; 518C.609; 518C.610; 518C.611; 518C.612; 518C.613; 518C.701; 518C.801; 518C.902; proposing coding for new law in Minnesota Statutes, chapter 518C; repealing Minnesota Statutes 2012, section 518C.502.

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.

Simon from the Committee on Elections to which was referred:

H. F. No. 894, A bill for an act relating to elections; requiring training for polling place challengers; imposing additional requirements on polling place challengers; amending Minnesota Statutes 2012, section 204C.07, subdivisions 1, 2, 4, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1  
ABSENTEE VOTING

Section 1. Minnesota Statutes 2012, section 5B.06, is amended to read:

**5B.06 VOTING BY PROGRAM PARTICIPANT; ABSENTEE BALLOT.**

A program participant who is otherwise eligible to vote may register with the secretary of state as ~~an ongoing a permanent~~ absentee voter. Notwithstanding section 203B.04, subdivision 5, the secretary of state is not required to send an absentee ballot application prior to each election to a program participant registered as a permanent absentee voter under this section. As soon as practicable before each election, the secretary of state shall determine the precinct in which the residential address of the program participant is located and shall request from and receive from the county auditor or other election official the ballot for that precinct and shall forward the absentee ballot to the program participant with the other materials for absentee balloting as required by Minnesota law. The program participant shall complete the ballot and return it to the secretary of state, who shall review the ballot in the manner provided by section 203B.24. If the ballot and ballot materials comply with the requirements of that section, the ballot must be certified by the secretary of state as the ballot of a program participant, and must be forwarded to the appropriate electoral jurisdiction for tabulation along with all other ballots. The name and address of a program participant must not be listed in the statewide voter registration system.

Sec. 2. Minnesota Statutes 2012, section 203B.02, subdivision 1, is amended to read:

Subdivision 1. ~~Unable to go to polling place~~ **Absentee voting; eligibility.** (a) Any eligible voter who ~~reasonably expects to be unable to go to the polling place on election day in the precinct where the individual maintains residence because of absence from the precinct; illness, including isolation or quarantine under sections 144.419 to 144.4196 or United States Code, title 42, sections 264 to 272; disability; religious discipline; observance of a religious holiday; or service as an election judge in another precinct~~ may vote by absentee ballot as provided in sections 203B.04 to 203B.15.

~~(b) If the governor has declared an emergency and filed the declaration with the secretary of state under section 12.31, and the declaration states that the emergency has made it difficult for voters to go to the polling place on election day, any voter in a precinct covered by the declaration may vote by absentee ballot as provided in sections 203B.04 to 203B.15.~~

Sec. 3. Minnesota Statutes 2012, section 203B.04, subdivision 1, is amended to read:

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

- (1) the county auditor of the county where the applicant maintains residence; or
- (2) the municipal clerk of the municipality, or school district if applicable, where the applicant maintains residence.

(b) An application shall be approved if it is timely received, signed and dated by the applicant, contains the applicant's name and residence and mailing addresses, date of birth, and at least one of the following:

- (1) the applicant's Minnesota driver's license number;
- (2) Minnesota state identification card number;
- (3) the last four digits of the applicant's Social Security number; or
- (4) a statement that the applicant does not have any of these numbers.

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

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

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

Sec. 4. Minnesota Statutes 2012, section 203B.04, subdivision 5, is amended to read:

Subd. 5. **Permanent illness or disability absentee voter status.** (a) An eligible voter ~~who reasonably expects to be permanently unable to go to the polling place on election day because of illness or disability~~ may apply to a county auditor or municipal clerk ~~under this section~~ to automatically receive an absentee ballot application before

each election, other than an election by mail conducted under section 204B.45, and to have the status as a permanent absentee voter indicated on the voter's registration record. An eligible voter listed as an ongoing absentee voter as of July 31, 2013, pursuant to laws in effect on that date, shall be treated as if the voter applied for status as a permanent absentee voter pursuant to this subdivision.

(b) A voter who applies under paragraph (a) must automatically be provided an absentee ballot application for each eligible election. A voter's permanent absentee status ends and automatic ballot application delivery must be terminated on:

(1) the voter's written request;

(2) the voter's death;

(3) return of an absentee ballot as undeliverable; or

(4) a change in the voter's status to "challenged" or "inactive" in the statewide voter registration system.

~~(b)~~ (c) The secretary of state shall adopt rules governing procedures under this subdivision.

Sec. 5. Minnesota Statutes 2012, section 203B.06, subdivision 1, is amended to read:

Subdivision 1. **Printing and delivery of forms.** Each county auditor and municipal clerk shall prepare and print a sufficient number of blank application forms for absentee ballots. The county auditor or municipal clerk shall deliver a blank application form to any voter who requests one pursuant to section 203B.04. Blank application forms must be mailed to eligible voters who have requested an application pursuant to section 203B.04, subdivision 5 ~~or 6~~, at least 60 days before:

(1) each regularly scheduled primary for federal, state, county, city, or school board office;

(2) each regularly scheduled general election for city or school board office for which a primary is not held; and

(3) a special primary to fill a federal or county office vacancy or special election to fill a federal or county office vacancy, if a primary is not required to be held pursuant to section 204D.03, subdivision 3, or 204D.07, subdivision 3; and

(4) any election held in conjunction with an election described in clauses (1) to (3);

or at least 45 days before any other primary or other election for which a primary is not held.

Sec. 6. Minnesota Statutes 2012, section 203B.121, subdivision 2, is amended to read:

Subd. 2. **Duties of ballot board; absentee ballots.** (a) The members of the ballot board shall take possession of all return envelopes delivered to them in accordance with section 203B.08. Upon receipt from the county auditor, municipal clerk, or school district clerk, two or more members of the ballot board shall examine each return envelope and shall mark it accepted or rejected in the manner provided in this subdivision. Election judges performing the duties in this section must be of different major political parties, unless they are exempt from that requirement under section 205.075, subdivision 4, or section 205A.10, subdivision 2.

(b) The members of the ballot board shall mark the return envelope "Accepted" and initial or sign the return envelope below the word "Accepted" if a majority of the members of the ballot board examining the envelope are satisfied that:



(1) the voter's name and address on the return envelope are the same as the information provided on the absentee ballot application;

(2) the voter signed the certification on the envelope;

(3) the voter's Minnesota driver's license, state identification number, or the last four digits of the voter's Social Security number are the same as the number provided on the voter's application for ballots. If the number does not match the number as submitted on the application, or if a number was not submitted on the application, the election judges must compare the signature provided by the applicant to determine whether the ballots were returned by the same person to whom they were transmitted;

(4) the voter is registered and eligible to vote in the precinct or has included a properly completed voter registration application in the return envelope;

(5) the certificate has been completed as prescribed in the directions for casting an absentee ballot; and

(6) the voter has not already voted at that election, either in person or, if it is after the close of business on the ~~fourth~~ seventh day before the election, by absentee ballot.

The return envelope from accepted ballots must be preserved and returned to the county auditor.

(c)(1) If a majority of the members of the ballot board examining a return envelope find that an absentee voter has failed to meet one of the requirements provided in paragraph (b), they shall mark the return envelope "Rejected," initial or sign it below the word "Rejected," list the reason for the rejection on the envelope, and return it to the county auditor. There is no other reason for rejecting an absentee ballot beyond those permitted by this section. Failure to place the ballot within the security envelope before placing it in the outer white envelope is not a reason to reject an absentee ballot.

(2) If an envelope has been rejected at least five days before the election, the envelope must remain sealed and the official in charge of the ballot board shall provide the voter with a replacement absentee ballot and return envelope in place of the rejected ballot.

(3) If an envelope is rejected within five days of the election, the envelope must remain sealed and the official in charge of the ballot board must attempt to contact the voter by telephone or e-mail to notify the voter that the voter's ballot has been rejected. The official must document the attempts made to contact the voter.

(d) The official in charge of the absentee ballot board must mail the voter a written notice of absentee ballot rejection between six and ten weeks following the election. If the official determines that the voter has otherwise cast a ballot in the election, no notice is required. If an absentee ballot arrives after the deadline for submission provided by this chapter, the notice must be provided between six to ten weeks after receipt of the ballot. A notice of absentee ballot rejection must contain the following information:

(1) the date on which the absentee ballot was rejected or, if the ballot was received after the required deadline for submission, the date on which the ballot was received;

(2) the reason for rejection; and

(3) the name of the appropriate election official to whom the voter may direct further questions, along with appropriate contact information.

(e) An absentee ballot return envelope marked "Rejected" may not be opened or subject to further review except in an election contest filed pursuant to chapter 209.

Sec. 7. Minnesota Statutes 2012, section 203B.121, subdivision 3, is amended to read:

Subd. 3. **Record of voting.** (a) When applicable, the county auditor or municipal clerk must immediately record that a voter's absentee ballot has been accepted. After the close of business on the ~~fourth~~ seventh day before the election, a voter whose record indicates that an absentee ballot has been accepted must not be permitted to cast another ballot at that election. In a state primary, general, or state special election for federal or state office, the auditor or clerk must also record this information in the statewide voter registration system.

(b) The roster must be marked, and a supplemental report of absentee voters who submitted a voter registration application with their ballot must be created, no later than the start of voting on election day to indicate the voters that have already cast a ballot at the election. The roster may be marked either:

- (1) by the county auditor or municipal clerk before election day;
- (2) by the ballot board before election day; or
- (3) by the election judges at the polling place on election day.

The record of a voter whose absentee ballot was received after the close of business on the ~~fourth~~ seventh day before the election is not required to be marked on the roster or contained in a supplemental report as required by this paragraph.

Sec. 8. Minnesota Statutes 2012, section 203B.121, subdivision 4, is amended to read:

Subd. 4. **Opening of envelopes.** After the close of business on the ~~fourth~~ seventh day before the election, the ballots from return envelopes marked "Accepted" may be opened, duplicated as needed in the manner provided in section 206.86, subdivision 5, initialed by the members of the ballot board, and deposited in the appropriate ballot box. If more than one ballot is enclosed in the ballot envelope, the ballots must be returned in the manner provided by section 204C.25 for return of spoiled ballots, and may not be counted.

Sec. 9. **REPEALER.**

Minnesota Statutes 2012, section 203B.04, subdivision 6, is repealed.

Sec. 10. **EFFECTIVE DATE; APPLICABILITY.**

This article is effective January 1, 2014, and applies to voting at elections conducted on the date of the state primary in 2014 and thereafter.

## ARTICLE 2 ELECTION ADMINISTRATION

Section 1. **[2.495] FORTY-NINTH DISTRICT.**

Subdivision 1. **Senate district.** Senate District 49 consists of that district as described in the order of the Minnesota Special Redistricting Panel in *Hippert v. Ritchie*, No. A11-152 (February 21, 2012).

Subd. 2. **House of representatives districts.** Notwithstanding the order of the Minnesota Special Redistricting Panel in *Hippert v. Ritchie*, No. A11-152 (February 21, 2012), Senate District 49 is divided into two house of representatives districts as follows:

(a) House of Representatives District 49A consists of the district as described in that order, with the modification contained in file L49A-2, on file with the Geographic Information Systems Office of the Legislative Coordinating Commission and published on its Web site on March 28, 2012.

(b) House of Representatives District 49B consists of the district as described in that order, with the modification contained in file L49B-2, on file with the Geographic Information Systems Office of the Legislative Coordinating Commission and published on its Web site on March 28, 2012.

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

Sec. 2. Minnesota Statutes 2012, section 103C.225, subdivision 3, is amended to read:

~~Subd. 3. **Referendum.** (a) Within 60 days after the petition is received by the state board, it shall give due notice of the holding of a referendum, schedule the referendum at the next general election, and cooperate with county election officials to accomplish the election in the most expedient manner. Upon receipt of a petition, the state board shall provide written notice to the secretary of state and the county auditor of each county in which the district is located no later than 74 days before the state general election. The notice must include the date of the election and the title and text of the question to be placed on the ballot. Prior to the referendum, the state board shall facilitate the preparation of a plan to continue the administration of the powers, duties, and responsibilities of the district, including the functions of the district board.~~

~~(b) The question shall be submitted by ballots, upon which the words "For terminating the existence of appear on the ballot in the following form: "Shall the ..... (name of the soil and water conservation district to be here inserted) " and "Against terminating the existence of the ..... (name of the soil and water conservation district to be here inserted)" shall be printed, with a square before each proposition and a direction to insert an X mark in the square before one or the other be terminated?".~~

~~(c) Only eligible voters in the district may vote in the referendum.~~

~~(d) Informalities in the conduct of the referendum or matters relating to the referendum do not invalidate the referendum, or result of the referendum, if due notice has been given and the referendum has been fairly conducted.~~

~~(e) The state board shall publish the result of the referendum.~~

Sec. 3. Minnesota Statutes 2012, section 103C.305, subdivision 3, is amended to read:

~~Subd. 3. **Ballots.** Ballots shall be prepared by the county auditor. The names of candidates shall be placed on the "canary ballot" described in section 204D.11, subdivision 3 state general election ballot. The office title printed on the ballot must be either "Soil and Water Conservation District Supervisor" or "Conservation District Supervisor," based upon the district from which the supervisor is to be elected.~~

Sec. 4. Minnesota Statutes 2012, section 201.061, subdivision 3, is amended to read:

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

- (1) presenting a driver's license or Minnesota identification card issued pursuant to section 171.07;
- (2) presenting any document approved by the secretary of state as proper identification;
- (3) presenting one of the following:

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

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

- (4) having a voter who is registered to vote in the precinct, or who is an employee employed by and working in a residential facility in the precinct and vouching for a resident in the facility, sign an oath in the presence of the election judge vouching that the voter or employee personally knows that the individual is a resident of the precinct. A voter who has been vouched for on election day may not sign a proof of residence oath vouching for any other individual on that election day. A voter who is registered to vote in the precinct may sign up to ~~45~~ eight proof-of-residence oaths on any election day. This limitation does not apply to an employee of a residential facility described in this clause. The secretary of state shall provide a form for election judges to use in recording the number of individuals for whom a voter signs proof-of-residence oaths on election day. The form must include space for the maximum number of individuals for whom a voter may sign proof-of-residence oaths. For each proof-of-residence oath, the form must include a statement that the voter is registered to vote in the precinct, personally knows that the individual is a resident of the precinct, and is making the statement on oath. The form must include a space for the voter's printed name, signature, telephone number, and address.

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

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

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

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

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

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

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

Sec. 5. Minnesota Statutes 2012, section 201.071, subdivision 2, is amended to read:

Subd. 2. **Instructions.** A registration application shall be accompanied by instructions specifying the manner and method of registration, the qualifications for voting, the penalties for false registration, and the availability of registration and voting assistance for elderly and disabled individuals and residents of health care facilities and hospitals. The instructions must indicate that if the voter does not have a valid Minnesota driver's license or identification card, the last four digits of the voter's Social Security number must be provided, unless the voter does not have a Social Security number. If, prior to election day, a person requests the instructions in Braille, ~~on cassette tape~~ audio format, or in a version printed in 16-point bold type with 24-point leading, the county auditor shall provide them in the form requested. The secretary of state shall prepare Braille and ~~cassette~~ audio copies and make them available.

Sec. 6. Minnesota Statutes 2012, section 201.091, subdivision 8, is amended to read:

Subd. 8. **Registration places.** Each county auditor shall designate a number of public buildings in those political subdivisions of the county where preregistration of voters is allowed as provided in section 201.061, subdivision 1, where eligible voters may register to vote. ~~At least one public building must be designated for each 30,000 residents of the county. At least one telecommunications device for the deaf must be available for voter registration information in each county seat and in every city of the first, second, and third class.~~

An adequate supply of registration applications and instructions must be maintained at each designated location, and a designated individual must be available there to accept registration applications and transmit them to the county auditor.

A person who, because of disability, needs assistance in order to determine eligibility or to register must be assisted by a designated individual. Assistance includes but is not limited to reading the registration form and instructions and filling out the registration form as directed by the eligible voter.

Sec. 7. Minnesota Statutes 2012, section 201.12, subdivision 3, is amended to read:

Subd. 3. **Moved out of state.** If any nonforwardable mailing from an election official is returned as undeliverable but with a permanent forwarding address outside this state, the county auditor shall promptly mail to the voter at the voter's new address a notice advising the voter that the voter's status in the statewide voter registration system will be changed to "inactive" unless the voter notifies the county auditor within 21 days that the voter is retaining the former address as the voter's address of residence. If the voter's record is challenged due to a felony conviction, lack of United States citizenship, legal incompetence, or court-ordered revocation of voting rights of persons under guardianship, the county auditor must not mail this notice. If the notice is not received by the deadline, the county auditor shall change the voter's status to "inactive" in the statewide voter registration system.

Sec. 8. Minnesota Statutes 2012, section 201.13, subdivision 1a, is amended to read:

Subd. 1a. **Social Security Administration; other reports of deceased residents.** The secretary of state ~~shall~~ may determine if any of the persons listed on the Social Security Death Index or reported as deceased by the vital records department of another state are registered to vote and prepare a list of those registrants for each county auditor. The county auditor shall change the status of those registrants to "deceased" in the statewide voter registration system.

Sec. 9. Minnesota Statutes 2012, section 201.14, is amended to read:

**201.14 COURT ADMINISTRATOR OF DISTRICT COURT; REPORT CHANGES OF NAMES.**

The state court administrator shall regularly report by electronic means to the secretary of state the name, address, and, if available, driver's license or state identification card number of each individual, 18 years of age or over, whose name was changed since the last report, by marriage, divorce, or any order or decree of the court. The secretary of state shall determine if any of the persons in the report are registered to vote under their previous name and shall prepare a list of those registrants for each county auditor. Upon receipt of the list, the county auditor shall make the change in the voter's record and mail to the voter the notice of registration required by section 201.121, subdivision 2. A notice must not be mailed if the voter's record is challenged due to a felony conviction, lack of United States citizenship, legal incompetence, or court-ordered revocation of voting rights of persons under guardianship.

Sec. 10. Minnesota Statutes 2012, section 202A.14, subdivision 1, is amended to read:

Subdivision 1. **Time and manner of holding; postponement.** (a) In every state general election year, beginning at 7:00 p.m. on the date established pursuant to paragraph (b), there shall be held for every election precinct a party caucus in the manner provided in sections 202A.14 to 202A.19.

(b)(1) The chairs of the two largest major political parties shall jointly submit to the secretary of state, no later than March 1 of each odd-numbered year, the single date on which the two parties have agreed to conduct their precinct caucuses in the next even-numbered year.

(2) ~~On March 1 of each odd-numbered year~~ Within two business days after the parties have agreed on a single date on which to conduct their precinct caucuses, the secretary of state shall publicly announce the official state precinct caucus date for the following general election year.

(3) If the chairs of the two largest major political parties do not jointly submit a single date for conducting their precinct caucuses as provided in this paragraph, then for purposes of the next general election year, the first Tuesday in February shall be considered the day of a major political party precinct caucus and sections 202A.19 and 202A.192 shall only apply on that date.

(4) For purposes of this paragraph, the two largest major political parties shall be the parties whose candidates for governor received the greatest and second greatest number of votes at the most recent gubernatorial election.

(c) In the event of severe weather a major political party may request the secretary of state to postpone caucuses. If a major political party makes a request, or upon the secretary of state's own initiative, after consultation with all major political parties and on the advice of the federal Weather Bureau and the Department of Transportation, the secretary of state may declare precinct caucuses to be postponed for a week in counties where weather makes travel especially dangerous. The secretary of state shall submit a notice of the postponement to news media covering the affected counties by 6:00 p.m. on the scheduled day of the caucus. A postponed caucus may also be postponed pursuant to this subdivision.

Sec. 11. Minnesota Statutes 2012, section 203B.05, subdivision 1, is amended to read:

Subdivision 1. **Generally.** The full-time clerk of any city or town shall administer the provisions of sections 203B.04 to 203B.15 if:

- (1) the county auditor of that county has designated the clerk to administer them; or
- (2) the clerk has given the county auditor of that county notice of intention to administer them.

The designation or notice must specify whether the clerk will be responsible for the administration of a ballot board as provided in section 203B.121.

A clerk of a city that is located in more than one county may only administer the provisions of sections 203B.04 to 203B.15 if the clerk has been designated by each of the county auditors or has provided notice to each of the county auditors that the city will administer absentee voting. A clerk may only administer the provisions of sections 203B.04 to 203B.15 if the clerk has technical capacity to access the statewide voter registration system in the secure manner prescribed by the secretary of state. The secretary of state must identify hardware, software, security, or other technical prerequisites necessary to ensure the security, access controls, and performance of the statewide voter registration system. A clerk must receive training approved by the secretary of state on the use of the statewide voter registration system before administering this section. A clerk may not use the statewide voter registration system until the clerk has received the required training. The county auditor must notify the secretary of state of any municipal clerk who will be administering the provisions of this section and the duties that the clerk will administer.

Sec. 12. Minnesota Statutes 2012, section 203B.08, subdivision 3, is amended to read:

Subd. 3. **Procedures on receipt of ballots.** When absentee ballots are returned to a county auditor or municipal clerk, that official shall stamp or initial and date the return envelope and place it in a secure location with other return envelopes received by that office. Within five days after receipt, the county auditor or municipal clerk shall deliver to the ballot board all ballots received, except that during the 14 days immediately preceding an election, the county auditor or municipal clerk shall deliver all ballots received to the ballot board within three days. Ballots received on election day either (1) after 3:00 p.m., if delivered by an agent; or (2) after the last mail delivery, if delivered by another method, shall be marked as received late by the county auditor or municipal clerk, and must not be delivered to the ballot board.

Sec. 13. Minnesota Statutes 2012, section 203B.081, is amended to read:

#### **203B.081 LOCATIONS FOR ABSENTEE VOTING IN PERSON.**

An eligible voter may vote by absentee ballot in the office of the county auditor and at any other polling place designated by the county auditor during the 46 days before: the election, except as provided in this subdivision.

~~(1) a regularly scheduled election for federal, state, county, city, or school board office;~~

~~(2) a special election for a federal or county office; and~~

~~(3) an election held in conjunction with an election described in clauses (1) and (2);~~

~~and~~ Voters casting absentee ballots in person for a town election held in March may do so during the 30 days before any other the election. The county auditor shall make such designations at least 14 weeks before the election. At least one voting booth in each polling place must be made available by the county auditor for this purpose. The county auditor must also make available at least one electronic ballot marker in each polling place that has implemented a voting system that is accessible for individuals with disabilities pursuant to section 206.57, subdivision 5.

Sec. 14. Minnesota Statutes 2012, section 203B.121, subdivision 1, is amended to read:

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

ballots and appointed as provided in sections 204B.19 to 204B.22. The board may include ~~staff trained as election judges~~ deputy county auditors or deputy city clerks who have received training in the processing and counting of absentee ballots.

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

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

Sec. 15. Minnesota Statutes 2012, section 203B.121, subdivision 5, is amended to read:

Subd. 5. **Storage and counting of absentee ballots.** (a) On a day on which absentee ballots are inserted into a ballot box, two members of the ballot board must:

- (1) remove the ballots from the ballot box at the end of the day;
- (2) without inspecting the ballots, ensure that the number of ballots removed from the ballot box is equal to the number of voters whose absentee ballots were accepted that day; and
- (3) seal and secure all voted and unvoted ballots present in that location at the end of the day.

(b) After the polls have closed on election day, two members of the ballot board must count the ballots, tabulating the vote in a manner that indicates each vote of the voter and the total votes cast for each candidate or question. In state primary and state general elections, the results must indicate the total votes cast for each candidate or question in each precinct and report the vote totals tabulated for each precinct. ~~The count shall be public. No vote totals from ballots may be made public before the close of voting on election day~~ must be recorded on a summary statement in substantially the same format as provided in section 204C.26. The ballot board shall submit at least one completed summary statement to the county auditor or municipal clerk. The county auditor or municipal clerk may require the ballot board to submit a sufficient number of completed summary statements to comply with the provisions of section 204C.27, or the county auditor or municipal clerk may certify reports containing the details of the ballot board summary statement to the recipients of the summary statements designated in section 204C.27.

In state primary and state general elections, these vote totals shall be added to the vote totals on the summary statements of the returns for the appropriate precinct. In other elections, these vote totals may be added to the vote totals on the summary statement of returns for the appropriate precinct or may be reported as a separate total.

The count shall be public. No vote totals from ballots may be made public before the close of voting on election day.

(c) In addition to the requirements of paragraphs (a) and (b), if the task has not been completed previously, the members of the ballot board must verify as soon as possible, but no later than 24 hours after the end of the hours for voting, that voters whose absentee ballots arrived after the rosters were marked or supplemental reports were generated and whose ballots were accepted did not vote in person on election day. An absentee ballot submitted by a voter who has voted in person on election day must be rejected. All other accepted absentee ballots must be opened, duplicated if necessary, and counted by members of the ballot board. The vote totals from these ballots must be incorporated into the totals with the other absentee ballots and handled according to paragraph (b).

Sec. 16. Minnesota Statutes 2012, section 203B.227, is amended to read:

**203B.227 WRITE-IN ABSENTEE BALLOT.**

(a) A voter described in section 203B.16, subdivision 1, may use ~~a state write-in absentee ballot~~ or the federal write-in absentee ballot to vote in any federal, state, or local election. In a state or local election, a vote for a political party without specifying the name of a candidate must not be counted.



(b) If a voter submits a Federal Write-in Absentee Ballot for which a Federal Post Card Application was not received, the Federal Write-in Absentee Ballot serves as a voter registration, for voters who are eligible to register, in lieu of the voter's Federal Post Card Application. If the voter has not already voted and the accompanying certificate is properly completed, the absentee ballot board must accept the Federal Write-in Absentee Ballot.

Sec. 17. Minnesota Statutes 2012, section 203B.28, is amended to read:

**203B.28 POSTELECTION REPORT TO LEGISLATURE.**

By ~~March 1, 2011, and by~~ January 15 of every odd-numbered year ~~thereafter~~, the secretary of state shall provide to the chair and ranking minority members of the legislative committees with jurisdiction over elections a statistical report related to absentee voting in the most recent general election cycle. The statistics must be organized by county ~~and precinct~~, and include:

- (1) the number of absentee ballots transmitted to voters;
- (2) the number of absentee ballots returned by voters;
- (3) the number of absentee ballots that were rejected, categorized by the reason for rejection;
- (4) the number of absentee ballots submitted pursuant to sections 203B.16 to 203B.27, along with the number of returned ballots that were accepted, rejected, and the reason for any rejections; and
- (5) the number of absentee ballots that were not counted because the ballot return envelope was received after the deadlines provided in this chapter.

Sec. 18. Minnesota Statutes 2012, section 204B.04, is amended by adding a subdivision to read:

Subd. 4. **Prohibition on multiple candidacy.** A candidate who files an affidavit of candidacy for an office to be elected at the general election may not subsequently file another affidavit of candidacy for any other office to be elected on the date of that general election.

Sec. 19. Minnesota Statutes 2012, section 204B.18, subdivision 2, is amended to read:

~~Subd. 2. **Ballot boxes.** Each polling place shall be provided with one ballot box for each kind of ballot to be cast at the election. The boxes shall be substantially the same color as the ballots to be deposited in them. Each box shall be of sufficient size and shall have a sufficient opening to receive and contain all the ballots likely to be deposited in it. When buff or goldenrod ballot boxes are required, a separate box must be provided for each school district for which ballots are to be cast at that polling place. The number and name of the school district must appear conspicuously on the top of each buff or goldenrod ballot box.~~

Sec. 20. Minnesota Statutes 2012, section 204B.22, subdivision 1, is amended to read:

Subdivision 1. **Minimum number required.** (a) A minimum of four election judges shall be appointed for each precinct, ~~except as provided by subdivision 2 in the state general election. In all other elections, a minimum of three election judges shall be appointed for each precinct.~~ In a combined polling place under section 204B.14, subdivision 2, at least one judge must be appointed from each municipality in the combined polling place, provided that not less than three judges shall be appointed for each combined polling place. The appointing authorities may appoint election judges for any precinct in addition to the number required by this subdivision including additional election judges to count ballots after voting has ended.

(b) An election judge may serve for all or part of election day, at the discretion of the appointing authority, as long as the minimum number of judges required is always present. The head election judge designated under section 204B.20 must serve for all of election day and be present in the polling place unless another election judge has been designated by the head election judge to perform the functions of the head election judge during any absence.

Sec. 21. Minnesota Statutes 2012, section 204B.22, subdivision 2, is amended to read:

Subd. 2. **Exception.** A minimum of three election judges shall be appointed in precincts not using electronic voting equipment. ~~One additional election judge shall be appointed for each 150 votes cast in that precinct at the last similar election and in precincts with fewer than 500 registered voters as of 14 weeks before the state primary.~~

Sec. 22. Minnesota Statutes 2012, section 204B.28, subdivision 1, is amended to read:

Subdivision 1. **Meeting with election officials.** At least 12 weeks before each regularly scheduled town general election conducted in March, and at least 18 weeks before all other general elections, each county auditor shall conduct a meeting or otherwise communicate with local election officials to review the procedures for the election. The county auditor may require the head election judges in the county to attend this meeting.

Sec. 23. Minnesota Statutes 2012, section 204B.32, subdivision 1, is amended to read:

Subdivision 1. **Payment.** (a) The secretary of state shall pay the compensation for presidential electors, the cost of printing ~~the pink paper~~ ballots, and all necessary expenses incurred by the secretary of state in connection with elections.

(b) The counties shall pay the compensation prescribed in section 204B.31, clauses (b) and (c), the cost of printing the ~~canary ballots, the white ballots, the pink state general election~~ ballots when machines are used, the state partisan primary ballots, and the state and county nonpartisan primary ballots, all necessary expenses incurred by county auditors in connection with elections, and the expenses of special county elections.

(c) Subject to subdivision 2, the municipalities shall pay the compensation prescribed for election judges and sergeants at arms, the cost of printing the municipal ballots, providing ballot boxes, providing and equipping polling places and all necessary expenses of the municipal clerks in connection with elections, except special county elections.

(d) The school districts shall pay the compensation prescribed for election judges and sergeants-at-arms, the cost of printing the school district ballots, providing ballot boxes, providing and equipping polling places and all necessary expenses of the school district clerks in connection with school district elections not held in conjunction with state elections. When school district elections are held in conjunction with state elections, the school district shall pay the costs of printing the school district ballots, providing ballot boxes and all necessary expenses of the school district clerk.

All disbursements under this section shall be presented, audited, and paid as in the case of other public expenses.

Sec. 24. Minnesota Statutes 2012, section 204B.33, is amended to read:

#### **204B.33 NOTICE OF FILING.**

(a) At least ~~15~~ 16 weeks before the state primary, the secretary of state shall notify each county auditor of the offices to be voted for in that county at the next state general election for which candidates file with the secretary of state. The notice shall include the time and place of filing for those offices. Within ten days after notification by the secretary of state, each county auditor shall notify each municipal clerk in the county of all the offices to be voted for in the county at that election and the time and place for filing for those offices. The county auditors and municipal clerks shall promptly post a copy of that notice in their offices.

(b) At least ~~two weeks~~ one week before the first day to file an affidavit of candidacy, the county auditor shall publish a notice stating the first and last dates on which affidavits of candidacy may be filed in the county auditor's office and the closing time for filing on the last day for filing. The county auditor shall post a similar notice at least ten days before the first day to file affidavits of candidacy.

Sec. 25. Minnesota Statutes 2012, section 204B.35, subdivision 4, is amended to read:

Subd. 4. **Absentee ballots; preparation; delivery.** At least 46 days before a ~~regularly scheduled an~~ election for federal, state, county, city, or school board office or a special election for federal office, and at least 30 days before any other election, ballots necessary to fill applications of absentee voters shall be prepared and delivered to the officials who administer the provisions of chapter 203B, except as provided in this subdivision. Ballots necessary to fill applications of absentee voters for a town general election held in March shall be prepared and delivered to the town clerk at least 30 days before the election.

This section applies to school district elections held on the same day as a statewide election or an election for a county or municipality located partially or wholly within the school district.

Sec. 26. Minnesota Statutes 2012, section 204B.36, subdivision 1, is amended to read:

Subdivision 1. **Type.** All ballots shall be printed with black ink on paper of sufficient thickness to prevent the printing from being discernible from the back. ~~All ballots of the same color shall be substantially uniform in style of printing, size, thickness and shade of color. When the ballots of a particular color vary in shade, those used in any one precinct shall be of the same shade.~~ All ballots shall be printed in easily readable type with suitable lines dividing candidates, offices, instructions and other matter printed on ballots. The name of each candidate shall be printed in capital letters. The same type shall be used for the names of all candidates on the same ballot.

Sec. 27. Minnesota Statutes 2012, section 204B.45, subdivision 1, is amended to read:

Subdivision 1. **Authorization.** A ~~municipality~~ town of any size or a city having fewer than 400 registered voters on June 1 of an election year ~~and, if the town or city is~~ not located in a metropolitan county as defined by section 473.121, may provide balloting by mail at any municipal, county, or state election with no polling place other than the office of the auditor or clerk or other locations designated by the auditor or clerk. The governing body may apply to the county auditor for permission to conduct balloting by mail. The county board may provide for balloting by mail in unorganized territory. The governing body of any municipality may designate for mail balloting any precinct having fewer than ~~50~~ 100 registered voters, subject to the approval of the county auditor.

Voted ballots may be returned in person to any location designated by the county auditor or municipal clerk.

Sec. 28. Minnesota Statutes 2012, section 204B.45, subdivision 2, is amended to read:

Subd. 2. **Procedure.** Notice of the election and the special mail procedure must be given at least ~~six~~ ten weeks prior to the election. Not more than 46 days nor later than 14 days before a regularly scheduled election ~~for federal, state, county, city, or school board office or a special election for federal office~~ and not more than 30 days nor later than 14 days before any other election, the auditor shall mail ballots by nonforwardable mail to all voters registered in the town or unorganized territory. No later than 14 days before the election, the auditor must make a subsequent mailing of ballots to those voters who register to vote after the initial mailing but before the 20th day before the election. Eligible voters not registered at the time the ballots are mailed may apply for ballots as provided in chapter 203B. Ballot return envelopes, with return postage provided, must be preaddressed to the auditor or clerk and the voter may return the ballot by mail or in person to the office of the auditor or clerk. The auditor or clerk must appoint a ballot board to examine the mail and absentee ballot return envelopes and mark them "accepted" or "rejected" within three days of receipt if there are 14 or fewer days before election day, or within five days of receipt if there are more

than 14 days before election day. The board may consist of ~~staff trained as election judges~~ deputy county auditors or deputy municipal clerks who have received training in the processing and counting of mail ballots, who need not be affiliated with a major political party. Election judges performing the duties in this section must be of different major political parties, unless they are exempt from that requirement under section 205.075, subdivision 4, or section 205A.10. If an envelope has been rejected at least five days before the election, the ballots in the envelope must remain sealed and the auditor or clerk shall provide the voter with a replacement ballot and return envelope in place of the spoiled ballot. If the ballot is rejected within five days of the election, the envelope must remain sealed and the official in charge of the ballot board must attempt to contact the voter by telephone or e-mail to notify the voter that the voter's ballot has been rejected. The official must document the attempts made to contact the voter.

If the ballot is accepted, the county auditor or municipal clerk must mark the roster to indicate that the voter has already cast a ballot in that election. After the close of business on the fourth day before the election, the ballots from return envelopes marked "Accepted" may be opened, duplicated as needed in the manner provided by section 206.86, subdivision 5, initialed by the members of the ballot board, and deposited in the ballot box.

In all other respects, the provisions of the Minnesota Election Law governing deposit and counting of ballots apply.

The mail and absentee ballots for a precinct must be counted together and reported as one vote total. No vote totals from mail or absentee ballots may be made public before the close of voting on election day.

The costs of the mailing shall be paid by the election jurisdiction in which the voter resides. Any ballot received by 8:00 p.m. on the day of the election must be counted.

Sec. 29. Minnesota Statutes 2012, section 204B.46, is amended to read:

#### **204B.46 MAIL ELECTIONS; QUESTIONS.**

A county, municipality, or school district submitting questions to the voters at a special election may conduct an election by mail with no polling place other than the office of the auditor or clerk. No offices may be voted on at a mail election. Notice of the election must be given to the county auditor at least ~~53~~ 74 days prior to the election. This notice shall also fulfill the requirements of Minnesota Rules, part 8210.3000. The special mail ballot procedures must be posted at least six weeks prior to the election. Not more than ~~30~~ 46 nor later than 14 days prior to the election, the auditor or clerk shall mail ballots by nonforwardable mail to all voters registered in the county, municipality, or school district. No later than 14 days before the election, the auditor or clerk must make a subsequent mailing of ballots to those voters who register to vote after the initial mailing but before the 20th day before the election. Eligible voters not registered at the time the ballots are mailed may apply for ballots pursuant to chapter 203B. The auditor or clerk must appoint a ballot board to examine the mail and absentee ballot return envelopes and mark them "Accepted" or "Rejected" within three days of receipt if there are 14 or fewer days before election day, or within five days of receipt if there are more than 14 days before election day. The board may consist of ~~staff trained as election judges~~ deputy county auditors, deputy municipal clerks, or deputy school district clerks who have received training in the processing and counting of mail ballots, who need not be affiliated with a major political party. Election judges performing the duties in this section must be of different major political parties, unless they are exempt from that requirement under section 205.075, subdivision 4, or section 205A.10. If an envelope has been rejected at least five days before the election, the ballots in the envelope must remain sealed and the auditor or clerk must provide the voter with a replacement ballot and return envelope in place of the spoiled ballot. If the ballot is rejected within five days of the election, the envelope must remain sealed and the official in charge of the ballot board must attempt to contact the voter by telephone or e-mail to notify the voter that the voter's ballot has been rejected. The official must document the attempts made to contact the voter.

If the ballot is accepted, the county auditor or municipal clerk must mark the roster to indicate that the voter has already cast a ballot in that election. After the close of business on the fourth day before the election, the ballots from return envelopes marked "Accepted" may be opened, duplicated as needed in the manner provided by section 206.86, subdivision 5, initialed by the ballot board, and deposited in the appropriate ballot box.

In all other respects, the provisions of the Minnesota Election Law governing deposit and counting of ballots apply.

The mail and absentee ballots for a precinct must be counted together and reported as one vote total. No vote totals from ballots may be made public before the close of voting on election day.

Sec. 30. Minnesota Statutes 2012, section 204C.14, is amended to read:

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

No individual shall intentionally:

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

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

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

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

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

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

A violation of this section is a felony.

Sec. 31. Minnesota Statutes 2012, section 204C.15, subdivision 1, is amended to read:

Subdivision 1. **Physical assistance in marking ballots.** A voter who claims a need for assistance because of inability to read English or physical inability to mark a ballot may obtain the aid of two election judges who are members of different major political parties. The election judges shall mark the ballots as directed by the voter and in as secret a manner as circumstances permit. ~~If the voter is deaf or cannot speak English or understand it when it is spoken, the election judges may select two individuals who are members of different major political parties to provide assistance. The individuals shall assist the voter in marking the ballots.~~ A voter in need of assistance may alternatively obtain the assistance of any individual the voter chooses. Only the following persons may not provide assistance to a voter: the voter's employer, an agent of the voter's employer, an officer or agent of the voter's union, or a candidate for election. The person who assists the voter shall, unaccompanied by an election judge, retire with that voter to a booth and mark the ballot as directed by the voter. No person who assists another voter as provided in the preceding sentence shall mark the ballots of more than three voters at one election. Before the ballots are deposited, the voter may show them privately to an election judge to ascertain that they are marked as the voter directed. An election judge or other individual assisting a voter shall not in any manner request, persuade, induce, or attempt to persuade or induce the voter to vote for any particular political party or candidate. The election judges or other individuals who assist the voter shall not reveal to anyone the name of any candidate for whom the voter has voted or anything that took place while assisting the voter.

Sec. 32. Minnesota Statutes 2012, section 204C.19, subdivision 2, is amended to read:

Subd. 2. **Ballots; order of counting.** Except as otherwise provided in this subdivision, the ballot boxes shall be opened, the votes counted, and the total declared ~~one box at a time in the following order: the white box, the pink box, the canary box, the light green box, the blue box, the buff box, the goldenrod box, the gray box, and then the~~

~~other kinds of ballots voted at the election. If enough election judges are available to provide counting teams of four or more election judges for each box, more than one box may be opened and counted at the same time. The election judges on each counting team shall be evenly divided between the major political parties. The numbers entered on the summary sheet shall not be considered final until the ballots in all the boxes have been counted and corrections have been made if ballots have been deposited in the wrong boxes.~~

Sec. 33. Minnesota Statutes 2012, section 204C.25, is amended to read:

**204C.25 DISPOSITION OF BALLOTS.**

After the count and the summary statements have been completed, in the presence of all the election judges, the counted, defective, and blank ballots shall be placed in envelopes ~~marked or printed to distinguish the color of the ballots contained,~~ and the envelopes shall be sealed. The election judges shall sign each envelope over the sealed part so that the envelope cannot be opened without disturbing the continuity of the signatures. The number ~~and kind~~ of ballots in each envelope, the name of the town or city, and the name of the precinct shall be plainly written upon the envelopes. The number and name of the district must be plainly written on envelopes containing school district ballots. The spoiled ballots shall be placed in separate envelopes and returned with the unused ballots to the county auditor or municipal or school district clerk from whom they were received.

Sec. 34. Minnesota Statutes 2012, section 204C.27, is amended to read:

**204C.27 DELIVERY OF RETURNS TO COUNTY AUDITORS.**

One or more of the election judges in each precinct shall deliver two sets of summary statements; all spoiled ~~white, pink, canary, and gray~~ ballots; and the envelopes containing the ~~white, pink, canary, and gray~~ ballots either directly to the municipal clerk for transmittal to the county auditor's office or directly to the county auditor's office as soon as possible after the vote counting is completed but no later than 24 hours after the end of the hours for voting. One or more election judges shall deliver the remaining set of summary statements and returns, all unused and spoiled municipal and school district ballots, the envelopes containing municipal and school district ballots, and all other things furnished by the municipal or school district clerk, to the municipal or school district clerk's office within 24 hours after the end of the hours for voting. The municipal or school district clerk shall return all polling place rosters and completed voter registration cards to the county auditor within 48 hours after the end of the hours for voting.

Sec. 35. Minnesota Statutes 2012, section 204C.35, subdivision 1, is amended to read:

Subdivision 1. **Automatic Publicly funded recounts.** (a) In a state primary when the difference between the votes cast for the candidates for nomination to:

~~(1) a state legislative office is less than one-half of one percent of the total number of votes counted for that nomination or is ten votes or less and the total number of votes cast for the nomination is 400 votes or less; or~~

~~(2) a statewide federal office, state constitutional office, statewide judicial office, congressional office, state legislative office, or district judicial office;~~

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

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

and the difference determines the nomination, the canvassing board with responsibility for declaring the results for that office shall manually recount the vote upon receiving a written request from the candidate whose nomination is in question.

Immediately following the meeting of the board that has responsibility for canvassing the results of the nomination, the filing officer must notify the candidate that the candidate has the option to request a recount of the votes at no cost to the candidate. This written request must be received by the filing officer no later than 48 hours after the canvass of the primary for which the recount is being sought.

(b) In a state general election when the difference between the votes of a candidate who would otherwise be declared elected to:

(1) a state legislative office is less than one-half of one percent of the total number of votes counted for that office or is ten votes or less and the total number of votes cast for the office is 400 votes or less; or

(2) a statewide federal office, state constitutional office, statewide judicial office, congressional office, ~~state legislative office,~~ or district judicial office and the votes of any other candidate for that office:

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

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

the canvassing board shall manually recount the votes upon receiving a written request from the candidate whose election is in question.

Immediately following the meeting of the board that has responsibility for canvassing the results of the general election, the filing officer must notify the candidate that the candidate has the option to request a recount of the votes at no cost to the candidate. This written request must be received by the filing officer no later than 48 hours after the canvass of the election for which the recount is being sought.

(c) A recount must not delay any other part of the canvass. The results of the recount must be certified by the canvassing board as soon as possible.

(d) Time for notice of a contest for an office which is recounted pursuant to this section shall begin to run upon certification of the results of the recount by the canvassing board.

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

Sec. 36. Minnesota Statutes 2012, section 204C.35, is amended by adding a subdivision to read:

Subd. 4. **Filing officer.** For the purposes of this section, the secretary of state is the filing officer for candidates for all federal offices and for state offices voted on in more than one county. The county auditor is the filing officer for state offices voted on in only one county.

Sec. 37. Minnesota Statutes 2012, section 204C.36, subdivision 1, is amended to read:

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

(b) A losing candidate for nomination or election to a county, municipal, or school district office may request a recount of the votes cast for nomination or election to that office if the difference between the votes cast for that candidate and for a winning candidate for nomination or election is less than one-half of one percent, and the total number of votes cast for the nomination or election of all candidates is more than 400 but less than 50,000. In cases of offices where two or more seats are being filled from among all the candidates for the office, the one-half of one percent difference is between the elected candidate with the fewest votes and the candidate with the most votes from among the candidates who were not elected.

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

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

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

Sec. 38. Minnesota Statutes 2012, section 204D.08, subdivision 6, is amended to read:

Subd. 6. **State and county nonpartisan primary ballot.** The state and county nonpartisan primary ballot shall be headed "State and County Nonpartisan Primary Ballot." It shall be printed ~~on canary paper~~ in the manner provided in the rules of the secretary of state. The names of candidates for nomination to the Supreme Court, Court of Appeals, district court, and all county offices shall be placed on this ballot.

No candidate whose name is placed on the state and county nonpartisan primary ballot shall be designated or identified as the candidate of any political party or in any other manner except as expressly provided by law.

Sec. 39. Minnesota Statutes 2012, section 204D.09, subdivision 2, is amended to read:

Subd. 2. **Sample ballot.** At least ~~two weeks~~ 46 days before the state primary the county auditor shall prepare a sample ~~state partisan primary ballot and a sample state and county nonpartisan primary~~ ballot for each precinct for public inspection and transmit an electronic copy of these sample ballots to the secretary of state. The names of ~~all~~ of the candidates to be voted for in the county shall be placed on the sample ballots, with the names of the candidates for each office arranged in the base rotation as determined by section 206.61, subdivision 5. ~~Only one sample state partisan primary ballot and one sample state and county nonpartisan ballot shall be prepared for any county.~~ The county auditor shall post the sample ballots in a conspicuous place in the auditor's office and shall cause them to be published at least one week before the state primary in at least one newspaper of general circulation in the county.

Sec. 40. Minnesota Statutes 2012, section 204D.11, subdivision 1, is amended to read:

Subdivision 1. **White State general election ballot; rules.** The names of the candidates for all ~~partisan state and federal offices,~~ all proposed constitutional amendments, all county offices and questions, and all judicial offices voted on at the state general election shall be placed on a single ballot ~~printed on white paper which~~ that shall be



known as the "~~white state general election~~ ballot." This ballot shall be prepared by the county auditor subject to the rules of the secretary of state. The secretary of state shall adopt rules for preparation and time of delivery of the ~~white state general election~~ ballot.

Sec. 41. Minnesota Statutes 2012, section 204D.11, subdivision 4, is amended to read:

Subd. 4. **Special federal ~~white~~ ballot.** (a) The names of all candidates for the offices of president and vice-president of the United States and senator and representative in Congress shall be placed on a ballot ~~printed on white paper which that~~ shall be known as the "special federal ~~white~~ ballot."

(b) This ballot shall be prepared by the county auditor in the same manner as the ~~white state general election~~ ballot and shall be subject to the rules adopted by the secretary of state pursuant to subdivision 1. This ballot must be prepared and furnished in accordance with the federal Uniformed and Overseas Citizens Absentee Voting Act, United States Code, title 42, section 1973ff.

(c) The special federal ~~white~~ ballot shall be the only ballot sent to citizens of the United States who are eligible to vote by absentee ballot for federal candidates in Minnesota.

Sec. 42. Minnesota Statutes 2012, section 204D.11, subdivision 5, is amended to read:

Subd. 5. **Ballot headings.** The ~~white, pink, and special federal white~~ ballot containing the offices and questions in subdivisions 1 and 4, shall be headed with the words "State General Election Ballot." ~~The canary ballot shall be headed with the words "County and Judicial Nonpartisan General Election Ballot."~~

Sec. 43. Minnesota Statutes 2012, section 204D.11, subdivision 6, is amended to read:

Subd. 6. **Gray Judicial ballot.** When ~~the canary ballot would be longer than 30 inches or when~~ it would not be possible to place all offices on a single ballot card for the state general election, the judicial offices ~~that should be placed on the canary ballot~~ may be placed instead on a separate gray judicial ballot. The gray judicial ballot shall be prepared by the county auditor in the manner provided in the rules of the secretary of state.

The gray judicial ballot must be headed with the words: "Judicial Nonpartisan General Election Ballot." Separate ballot boxes must be provided for these gray judicial ballots.

Sec. 44. Minnesota Statutes 2012, section 204D.13, subdivision 3, is amended to read:

Subd. 3. **Nominees by petition; placement on ballot.** The names of candidates nominated by petition for a partisan office voted on at the state general election shall be placed on the ~~white state general election~~ ballot after the names of the candidates for that office who were nominated at the state primary. ~~Prior to the state primary~~ No later than 11 weeks before the state general election, the secretary of state shall determine by lot the order of candidates nominated by petition. The drawing of lots must be by political party or principle. The political party or political principle of the candidate as stated on the petition shall be placed after the name of a candidate nominated by petition. The word "nonpartisan" shall not be used to designate any partisan candidate whose name is placed on the ~~white state general election~~ ballot by nominating petition.

Sec. 45. Minnesota Statutes 2012, section 204D.14, subdivision 1, is amended to read:

Subdivision 1. **Rotation of names.** The names of candidates for nonpartisan offices on the ~~canary state general election ballot and the judicial nonpartisan general election~~ ballot shall be rotated in the manner provided for rotation of names on state partisan primary ballots by section 204D.08, subdivision 3.

Sec. 46. Minnesota Statutes 2012, section 204D.14, subdivision 3, is amended to read:

Subd. 3. **Uncontested judicial offices.** Judicial offices for a specific court for which there is only one candidate filed must appear after all other judicial offices for that same court on the ~~canary~~ ballot.

Sec. 47. Minnesota Statutes 2012, section 204D.15, subdivision 3, is amended to read:

Subd. 3. **Sample pink ballot; constitutional amendments.** Four weeks before the state general election the secretary of state shall file sample copies of the ~~pink ballot portion of the state general election ballot that contains the proposed constitutional amendments~~ in the Secretary of State's Office for public inspection. Three weeks before the state general election the secretary of state shall ~~mail~~ transmit sample copies of the ~~pink sample~~ ballot to each county auditor. Each auditor shall post the sample ballot in a conspicuous place in the auditor's office.

Sec. 48. Minnesota Statutes 2012, section 204D.16, is amended to read:

#### **204D.16 SAMPLE GENERAL ELECTION BALLOTS; POSTING; PUBLICATION.**

~~Two weeks before the state general election the county auditor shall prepare sample copies of the white and canary ballots and~~ At least 46 days before the state general election, the county auditor shall post copies of these sample ballots and a sample of the pink ballot for each precinct in the auditor's office for public inspection and transmit an electronic copy of these sample ballots to the secretary of state. No earlier than 15 days and no later than two days before the state general election the county auditor shall cause ~~the a sample white and canary ballots state general election ballot~~ to be published in at least one newspaper of general circulation in the county.

Sec. 49. Minnesota Statutes 2012, section 204D.165, is amended to read:

#### **204D.165 SAMPLE BALLOTS TO SCHOOLS.**

~~Notwithstanding any contrary provisions in section 204D.09 or 204D.16,~~ The county auditor, two weeks before the applicable primary or general election, shall provide one copy of ~~the an appropriate sample partisan primary, nonpartisan primary, canary, white, or pink~~ an appropriate sample ~~partisan primary, nonpartisan primary, canary, white, or pink~~ ballot to a school district upon request. The school district may have the sample ballots reproduced at its expense for classroom educational purposes and for educational activities authorized under section 204B.27, subdivision 7.

Sec. 50. Minnesota Statutes 2012, section 204D.19, subdivision 2, is amended to read:

Subd. 2. **Special election when legislature will be in session.** Except for vacancies in the legislature which occur at any time between the last day of session in an odd-numbered year and the 40th day prior to the opening day of session in the succeeding even-numbered year, when a vacancy occurs and the legislature will be in session so that the individual elected as provided by this section could take office and exercise the duties of the office immediately upon election, the governor shall issue within five days after the vacancy occurs a writ calling for a special election. The special election shall be held as soon as possible, consistent with the notice requirements of section 204D.22, subdivision 3, but in no event more than 35 days after the issuance of the writ. A special election must not be held during the four days before or the four days after a holiday as defined in section 645.44, subdivision 5.

Sec. 51. Minnesota Statutes 2012, section 205.02, subdivision 2, is amended to read:

Subd. 2. **City elections.** In all statutory and home rule charter cities, the primary, general and special elections held for choosing city officials and deciding public questions relating to the city shall be held as provided in this chapter, except that sections 205.065, subdivisions 4 to 6; 205.07, subdivision 3; 205.10; 205.121; and 205.17, ~~subdivisions 2 and subdivision~~ subdivision 3, do not apply to a city whose charter provides the manner of holding its primary, general or special elections.

Sec. 52. Minnesota Statutes 2012, section 205.10, subdivision 3, is amended to read:

Subd. 3. **Prohibition.** No special election authorized under subdivision 1 may be held within ~~40~~ 56 days after the state general election.

Sec. 53. Minnesota Statutes 2012, section 205.13, subdivision 1a, is amended to read:

Subd. 1a. **Filing period.** In a city nominating candidates at a primary, an affidavit of candidacy for a city office voted on in November must be filed no more than 84 days nor less than 70 days before the city primary. In municipalities that do not hold a primary, an affidavit of candidacy must be filed no more than 70 days and not less than 56 days before the municipal general election held in March in any year, or a special election not held in conjunction with another election, and no more than 98 days nor less than 84 days before the municipal general election held in November of any year. The municipal clerk's office must be open for filing from 1:00 p.m. to 5:00 p.m. on the last day of the filing period.

Sec. 54. Minnesota Statutes 2012, section 205.16, subdivision 4, is amended to read:

Subd. 4. **Notice to auditor.** At least ~~67~~ 74 days before every municipal election ~~held in conjunction with a regularly scheduled primary for federal, state, county, city, or school board office or a special primary for federal office, at least 74 days before every municipal election held in connection with a regularly scheduled general election for federal, state, county, city, or school board office or a special election for federal office, and at least 53 days before any other municipal election,~~ the municipal clerk shall provide a written notice to the county auditor, including the date of the election, the offices to be voted on at the election, and the title and language for each ballot question to be voted on at the election. At least ~~67~~ 74 days before every municipal election ~~held in conjunction with a regularly scheduled primary for federal, state, county, city, or school board office or a special primary for federal office, at least 74 days before a regularly scheduled general election for federal, state, county, city, or school board office or a special election for federal office, and at least 46 days before any other election,~~ the municipal clerk must provide written notice to the county auditor of any special election canceled under section 205.10, subdivision 6.

Sec. 55. Minnesota Statutes 2012, section 205.16, subdivision 5, is amended to read:

Subd. 5. **Notice to secretary of state.** At least ~~67~~ 74 days before every municipal election ~~held in conjunction with a regularly scheduled primary for federal, state, county, city, or school board office or a special primary for federal office, at least 74 days before every municipal election held in conjunction with a regularly scheduled general election for federal, state, county, city, or school board office or a special election for federal office, and at least 46 days before any other municipal election~~ for which a notice is provided to the county auditor under subdivision 4, the county auditor shall provide a notice of the election to the secretary of state, in a manner and including information prescribed by the secretary of state.

Sec. 56. Minnesota Statutes 2012, section 205.17, subdivision 1, is amended to read:

Subdivision 1. ~~Second, third, and fourth class cities; towns~~ **Municipal offices; questions; general election ballot.** In all statutory and home rule charter cities ~~of the second, third, and fourth class, and in all towns, for the municipal general election,~~ the municipal clerk shall have printed ~~on light green paper~~ the official ballot containing the names of all candidates for municipal offices and municipal ballot questions. The ballot shall be printed in quantities of 25, 50, or 100, shall be headed "City or Town Election Ballot," shall state the name of the city or town and the date of the election, and shall conform in other respects to the ~~white ballot used at the state general election~~ ballot. The names shall be arranged on city ballots in the manner provided for the state elections. On town ballots names of the candidates for each office shall be arranged either:

(1) alphabetically according to the candidates' surnames; or

(2) in the manner provided for state elections if the town electors chose at the town's annual meeting to arrange the names in that way for at least two consecutive years.

Sec. 57. Minnesota Statutes 2012, section 205.17, subdivision 3, is amended to read:

Subd. 3. **Primary ballots.** The municipal primary ballot ~~in cities of the second, third, and fourth class and towns and the nonpartisan primary ballot in cities of the first class shall conform as far as practicable with the municipal general election ballot except that it shall be printed on light green paper.~~ No blank spaces shall be provided for writing in the names of candidates. ~~The partisan primary ballot in cities of the first class shall conform as far as practicable with the state partisan primary ballot.~~

Sec. 58. Minnesota Statutes 2012, section 205A.04, is amended by adding a subdivision to read:

Subd. 3. **Change in year of general election.** The school board may, by resolution, change the year in which the school district general election will be held. The resolution must be approved no later than four weeks before the first day to file affidavits of candidacy for the general election. A plan for the orderly transition to the new election year must be included in the resolution. The terms of school board members may be lengthened or shortened by one year as a part of the transition process.

Sec. 59. Minnesota Statutes 2012, section 205A.05, subdivision 1, is amended to read:

Subdivision 1. **Questions.** Special elections must be held for a school district on a question on which the voters are authorized by law to pass judgment. The school board may on its own motion call a special election to vote on any matter requiring approval of the voters of a district. Upon petition filed with the school board of 50 or more voters of the school district or five percent of the number of voters voting at the preceding school district general election, whichever is greater, the school board shall by resolution call a special election to vote on any matter requiring approval of the voters of a district. A question is carried only with the majority in its favor required by law. The election officials for a special election are the same as for the most recent school district general election unless changed according to law. Otherwise, special elections must be conducted and the returns made in the manner provided for the school district general election. A special election may not be held during the ~~30~~ 56 days before and the ~~30~~ 56 days after ~~the state a regularly scheduled primary, during the 30 days before and the 40 days after the state or~~ general election. ~~In addition, a special election may not be held during the 20 days before and the 20 days after any regularly scheduled election of a municipality conducted wholly or partially within the school district.~~ Notwithstanding any other law to the contrary, the time period in which a special election must be conducted under any other law may be extended by the school board to conform with the requirements of this subdivision.

Sec. 60. Minnesota Statutes 2012, section 205A.05, subdivision 2, is amended to read:

Subd. 2. **Vacancies in school district offices.** Special elections shall be held in school districts in conjunction with school district primary and general elections to fill vacancies in elective school district offices. When more than one vacancy exists in an office elected at-large, voters must be instructed to vote for up to the number of vacancies to be filled.

Sec. 61. Minnesota Statutes 2012, section 205A.07, subdivision 3, is amended to read:

Subd. 3. **Notice to auditor.** At least ~~67~~ 74 days before every school district election ~~held in conjunction with a regularly scheduled primary for federal, state, county, city, or school board office or a special primary for federal office, at least 74 days before every school district election held in conjunction with a regularly scheduled general election for federal, state, county, city, or school board office or a special election for federal office, and at least 53 days before any other school district election,~~ the school district clerk shall provide a written notice to the county auditor of each county in which the school district is located. The notice must include the date of the election, the

offices to be voted on at the election, and the title and language for each ballot question to be voted on at the election. For the purposes of meeting the timelines of this section, in a bond election, a notice, including a proposed question, may be provided to the county auditor before receipt of a review and comment from the commissioner of education and before actual initiation of the election. At least ~~67~~ 74 days before every school district election ~~held in conjunction with a regularly scheduled primary for federal, state, county, city, or school board office or a special primary for federal office, at least 74 days before an election held in conjunction with a regularly scheduled general election for federal, state, county, city, or school board office or a special election for federal office, and at least 46 days before any other election,~~ the school district clerk must provide written notice to the county auditor of any special election canceled under section 205A.05, subdivision 3.

Sec. 62. Minnesota Statutes 2012, section 205A.07, subdivision 3a, is amended to read:

Subd. 3a. **Notice to commissioner of education.** At least ~~67~~ 74 days before every school district election ~~held in conjunction with a regularly scheduled primary for federal, state, county, city, or school board office or a special primary for federal office, at least 74 days before every school district election held in conjunction with a regularly scheduled general election for federal, state, county, city, or school board office or a special election for federal office, and at least 49 days before any other school district election,~~ under section 123B.62, 123B.63, 126C.17, 126C.69, or 475.58, the school district clerk shall provide a written notice to the commissioner of education. The notice must include the date of the election and the title and language for each ballot question to be voted on at the election. At least ~~67~~ 74 days before every school district election ~~held in conjunction with a regularly scheduled primary for federal, state, county, city, or school board office or a special primary for federal office, at least 74 days before every school district election held in conjunction with a regularly scheduled general election for federal, state, county, city, or school board office or a special election for federal office, and at least 46 days before any other school district election,~~ the school district clerk must provide a written notice to the commissioner of education of any special election canceled under section 205A.05, subdivision 3. The certified vote totals for each ballot question shall be provided in a written notice to the commissioner in a timely manner.

Sec. 63. Minnesota Statutes 2012, section 205A.07, subdivision 3b, is amended to read:

Subd. 3b. **Notice to secretary of state.** At least ~~67~~ 74 days before every school district election ~~held in conjunction with a regularly scheduled primary for federal, state, county, city, or school board office or a special primary for federal office, at least 74 days before every school district election held in conjunction with a regularly scheduled general election for federal, state, county, city, or school board office or a special election for federal office, and at least 46 days before any other school district election~~ for which a notice is provided to the county auditor under subdivision 3, the county auditor shall provide a notice of the election to the secretary of state, in a manner and including information prescribed by the secretary of state.

Sec. 64. Minnesota Statutes 2012, section 205A.08, subdivision 1, is amended to read:

Subdivision 1. **Buff General election ballot.** The names of all candidates for offices and all ballot questions to be voted on at a school district general election must be placed on a single ballot ~~printed on buff paper and known as the "buff ballot."~~

Sec. 65. Minnesota Statutes 2012, section 206.61, subdivision 4, is amended to read:

Subd. 4. **Order of candidates.** On the "State Partisan Primary Ballot" prepared for primary elections, and on the ~~white~~ state general election ballot prepared for the general election, the order of the names of nominees or names of candidates for election shall be the same as required for paper ballots. More than one column or row may be used for the same office or party. Electronic ballot display and audio ballot readers must conform to the candidate order on the optical scan ballot used in the precinct.

Sec. 66. Minnesota Statutes 2012, section 206.89, subdivision 2, is amended to read:

Subd. 2. **Selection for review; notice.** At the canvass of the state primary, the county canvassing board in each county must set the date, time, and place for the postelection review of the state general election to be held under this section. The postelection review must not begin before the 11th day after the state general election and must be complete no later than the 18th day after the state general election.

At the canvass of the state general election, the county canvassing boards must select the precincts to be reviewed by lot. ~~Ballots counted centrally by a ballot board shall be considered one precinct eligible to be selected for purposes of this subdivision.~~ The ballots to be reviewed for a precinct include both the ballots counted at the polling place for that precinct and the absentee ballots counted centrally by a ballot board for that precinct. The county canvassing board of a county with fewer than 50,000 registered voters must conduct a postelection review of a total of at least two precincts. The county canvassing board of a county with between 50,000 and 100,000 registered voters must conduct a review of a total of at least three precincts. The county canvassing board of a county with over 100,000 registered voters must conduct a review of a total of at least four precincts, or three percent of the total number of precincts in the county, whichever is greater. At least one precinct selected in each county must have had more than 150 votes cast at the general election.

The county auditor must notify the secretary of state of the precincts that have been chosen for review and the time and place the postelection review for that county will be conducted, as soon as the decisions are made. If the selection of precincts has not resulted in the selection of at least four precincts in each congressional district, the secretary of state may require counties to select by lot additional precincts to meet the congressional district requirement. The secretary of state must post this information on the office Web site.

Sec. 67. Minnesota Statutes 2012, section 206.89, is amended by adding a subdivision to read:

Subd. 2a. **Exception.** No review is required under this section if the election for the office will be subject to a recount as provided in section 204C.35, subdivision 1.

Sec. 68. Minnesota Statutes 2012, section 206.895, is amended to read:

#### **206.895 SECRETARY OF STATE MONITOR.**

The secretary of state must monitor and evaluate election procedures in precincts subject to the audit provided for in section 206.89 in at least ~~four precincts~~ one precinct in each congressional district. The precincts must be chosen by lot by the State Canvassing Board at its meeting to canvass the state general election.

Sec. 69. Minnesota Statutes 2012, section 206.90, subdivision 6, is amended to read:

Subd. 6. **Ballots.** In precincts using optical scan voting systems, a single ballot card on which all ballot information is included must be printed in black ink on white colored material except that marks not to be read by the automatic tabulating equipment may be printed in another color ink. In state elections, a single ballot title must be used, as provided in sections 204D.08, subdivision 6, and 204D.11, subdivision 1. In odd-numbered years when both municipal and school district offices or questions appear on the ballot, the single ballot title "City (or Town) and School District Ballot" must be used.

On the front of the ballot must be printed the words "Official Ballot" and the date of the election and lines for the initials of at least two election judges.

When optical scan ballots are used, the offices to be elected must appear in the following order: federal offices; state legislative offices; constitutional offices; proposed constitutional amendments; county offices and questions; municipal offices and questions; school district offices and questions; special district offices and questions; and judicial offices.

On optical scan ballots, the names of candidates and the words "yes" and "no" for ballot questions must be printed as close to their corresponding vote targets as possible.

The line on an optical scan ballot for write-in votes must contain the words "write-in, if any."

If a primary ballot contains both a partisan ballot and a nonpartisan ballot, the instructions to voters must include a statement that reads substantially as follows: "THIS BALLOT CARD CONTAINS A PARTISAN BALLOT AND A NONPARTISAN BALLOT. ON THE PARTISAN BALLOT YOU ARE PERMITTED TO VOTE FOR CANDIDATES OF ONE POLITICAL PARTY ONLY." If a primary ballot contains political party columns on both sides of the ballot, the instructions to voters must include a statement that reads substantially as follows: "ADDITIONAL POLITICAL PARTIES ARE PRINTED ON THE OTHER SIDE OF THIS BALLOT. VOTE FOR ONE POLITICAL PARTY ONLY." At the bottom of each political party column on the primary ballot, the ballot must contain a statement that reads substantially as follows: "CONTINUE VOTING ON THE NONPARTISAN BALLOT." The instructions in section 204D.08, subdivision 4, do not apply to optical scan partisan primary ballots. Electronic ballot displays and audio ballot readers must follow the order of offices and questions on the optical scan or paper ballot used in the same precinct, or the sample ballot posted for that precinct.

Sec. 70. Minnesota Statutes 2012, section 208.04, subdivision 1, is amended to read:

Subdivision 1. **Form of presidential ballots.** When presidential electors and alternates are to be voted for, a vote cast for the party candidates for president and vice president shall be deemed a vote for that party's electors and alternates as filed with the secretary of state. The secretary of state shall certify the names of all duly nominated presidential and vice presidential candidates to the county auditors of the counties of the state. Each county auditor, subject to the rules of the secretary of state, shall cause the names of the candidates of each major political party and the candidates nominated by petition to be printed in capital letters, set in type of the same size and style as for candidates on the state ~~white~~ general election ballot, before the party designation. To the left of, and on the same line with the names of the candidates for president and vice president, near the margin, shall be placed a square or box, in which the voters may indicate their choice by marking an "X."

The form for the presidential ballot and the relative position of the several candidates shall be determined by the rules applicable to other state officers. The state ballot, with the required heading, shall be printed on the same piece of paper and shall be below the presidential ballot with a blank space between one inch in width.

Sec. 71. Minnesota Statutes 2012, section 208.04, subdivision 2, is amended to read:

Subd. 2. **Applicable rules.** The rules for preparation, state contribution to the cost of printing, and delivery of presidential ballots are the same as the rules for ~~white~~ state general election ballots under section 204D.11, subdivision 1.

Sec. 72. Minnesota Statutes 2012, section 211B.045, is amended to read:

#### **211B.045 NONCOMMERCIAL SIGNS EXEMPTION.**

~~In any municipality, whether or not the municipality has an ordinance that regulates the size or number of noncommercial signs,~~ All noncommercial signs of any size may be posted in any number ~~from~~ beginning 46 days before the state primary in a state general election year until ten days following the state general election. Municipal ordinances may regulate the size and number of noncommercial signs at other times.

Sec. 73. Minnesota Statutes 2012, section 211B.37, is amended to read:

**211B.37 COSTS ASSESSED.**

Except as otherwise provided in section 211B.36, subdivision 3, the chief administrative law judge shall assess the cost of considering complaints filed under section 211B.32 as provided in this section. Costs of complaints relating to a statewide ballot question or an election for a statewide or legislative office must be assessed against the appropriation from the general fund to the general account of the state elections campaign fund in section 10A.31, subdivision 4. Costs of complaints relating to any other ballot question or elective office must be ~~assessed against the county or counties in which the election is held. Where the election is held in more than one county, the chief administrative law judge shall apportion the assessment among the counties in proportion to their respective populations within the election district to which the complaint relates according to the most recent decennial federal census paid from appropriations to the office for this purpose.~~

Sec. 74. Minnesota Statutes 2012, section 340A.416, subdivision 2, is amended to read:

Subd. 2. **Ballot question.** The form of the question of the referendum under this section must be ~~on a separate ballot and must allow the voters to vote either "for license" or "against license. "either "Shall the city issue ... intoxicating liquor licenses?" or "Shall the city discontinue issuing intoxicating liquor licenses?"~~.

Sec. 75. Minnesota Statutes 2012, section 340A.416, subdivision 3, is amended to read:

Subd. 3. **Effect of election results.** If a majority of persons voting on the referendum question vote ~~"against license,"~~ to discontinue issuing licenses, the city may not issue intoxicating liquor licenses until the results of the referendum have been reversed at a subsequent election where the question has been submitted as provided in this section.

Sec. 76. Minnesota Statutes 2012, section 340A.602, is amended to read:

**340A.602 CONTINUATION.**

In any city in which the report of the operations of a municipal liquor store has shown a net loss prior to interfund transfer in any two of three consecutive years, the city council shall, not more than 45 days prior to the end of the fiscal year following the three-year period, hold a public hearing on the question of whether the city shall continue to operate a municipal liquor store. Two weeks' notice, written in clear and easily understandable language, of the hearing must be printed in the city's official newspaper. Following the hearing the city council may on its own motion or shall upon petition of five percent or more of the registered voters of the city, submit to the voters at a general or special municipal election the question of whether the city shall continue or discontinue municipal liquor store operations by a date which the city council shall designate. The date designated by the city council must not be more than 30 months following the date of the election. The form of the question shall be: "Shall the city of (name) discontinue operating the municipal liquor store on (Month xx, 2xxx)?".

Sec. 77. Minnesota Statutes 2012, section 375.20, is amended to read:

**375.20 BALLOT QUESTIONS.**

If the county board may do an act, incur a debt, appropriate money for a purpose, or exercise any other power or authority, only if authorized by a vote of the people, the question may be submitted at a special or general election, by a resolution specifying the matter or question to be voted upon. If the question is to authorize the appropriation of money, creation of a debt, or levy of a tax, it shall state the amount. Notice of the election shall be given as in the case of special elections. If the question submitted is adopted, the board shall pass an appropriate resolution to carry it into effect. In the election the form of the ballot shall be: "~~In favor of~~ Shall (here state the substance of the



resolution to be submitted)?, Yes ..... No.....," with a square opposite each of the words "yes" and "no," in one of which the voter shall mark an "X" to indicate a choice. The county board may call a special county election upon a question to be held within ~~60~~ 74 days after a resolution to that effect is adopted by the county board. Upon the adoption of the resolution the county auditor shall post and publish notices of the election, as required by section 204D.22, subdivisions 2 and 3. The election shall be conducted and the returns canvassed in the manner prescribed by sections 204D.20 to 204D.27, so far as practicable.

Sec. 78. Minnesota Statutes 2012, section 447.32, subdivision 2, is amended to read:

Subd. 2. **Elections.** Except as provided in this chapter, the Minnesota Election Law applies to hospital district elections, as far as practicable. Regular elections must be held in each hospital district at the same time, in the same election precincts, and at the same polling places as general elections of state and county officers. It may establish the whole district as a single election precinct or establish two or more different election precincts and polling places for the elections. If there is more than one precinct, the boundaries of the election precincts and the locations of the polling places must be defined in the notice of election, either in full or by reference to a description or map on file in the office of the clerk.

Special elections may be called by the hospital board to vote on any matter required by law to be submitted to the voters. A special election may not be conducted either during the ~~30~~ 56 days before and the ~~30~~ days after the state or the 56 days after a regularly scheduled primary or state general election, or during the ~~20~~ days before and the ~~20~~ days after the regularly scheduled election of any municipality conducted wholly or partially within the hospital district. Special elections must be held within the election precinct or precincts and at the polling place or places designated by the board. In the case of the first election of officers of a new district, precincts and polling places must be set by the governing body of the most populous city or town included in the district.

Advisory ballots may be submitted by the hospital board on any question it wishes, concerning the affairs of the district, but only at a regular election or at a special election required for another purpose.

Sec. 79. Minnesota Statutes 2012, section 447.32, subdivision 3, is amended to read:

Subd. 3. **Election notices.** At least two weeks before the first day to file affidavits of candidacy, the clerk of the district shall publish a notice stating the first and last day on which affidavits of candidacy may be filed, the places for filing the affidavits and the closing time of the last day for filing. The clerk shall post a similar notice in at least one conspicuous place in each city and town in the district at least ten days before the first day to file affidavits of candidacy.

At least ~~53~~ 74 days prior to every hospital district election, the hospital district clerk shall provide a written notice to the county auditor of each county in which the hospital district is located. The notice must include the date of the election, the offices to be voted on at the election, and the title and language for each ballot question to be voted on at the election. ~~At least 46 days before a hospital district election for which a notice is provided to the county auditor under this subdivision,~~ The county auditor shall immediately provide a notice to the secretary of state in a manner and including information prescribed by the secretary of state.

The notice of each election must be posted in at least one public and conspicuous place within each city and town included in the district at least ~~ten days~~ two weeks before the election. It must be published in the official newspaper of the district or, if a paper has not been designated, in a legal newspaper having general circulation within the district, at least two weeks before the election. Failure to give notice does not invalidate the election of an officer of the district. A voter may contest a hospital district election in accordance with chapter 209. Chapter 209 applies to hospital district elections.

Sec. 80. Minnesota Statutes 2012, section 447.32, subdivision 4, is amended to read:

Subd. 4. **Candidates; ballots; certifying election.** A person who wants to be a candidate for the hospital board shall file an affidavit of candidacy for the election either as member at large or as a member representing the city or town where the candidate resides. The affidavit of candidacy must be filed with the city or town clerk not more than ~~94~~ 98 days nor less than ~~77~~ 84 days before the first Tuesday after the first Monday in November of the year in which the general election is held. The city or town clerk must forward the affidavits of candidacy to the clerk of the hospital district or, for the first election, the clerk of the most populous city or town immediately after the last day of the filing period. A candidate may withdraw from the election by filing an affidavit of withdrawal with the clerk of the district no later than 5:00 p.m. two days after the last day to file affidavits of candidacy.

Voting must be by secret ballot. The clerk shall prepare, at the expense of the district, necessary ballots for the election of officers. Ballots must be ~~printed on tan paper and~~ prepared as provided in the rules of the secretary of state. The ballots must be marked and initialed by at least two judges as official ballots and used exclusively at the election. Any proposition to be voted on may be printed on the ballot provided for the election of officers. The hospital board may also authorize the use of voting systems subject to chapter 206. Enough election judges may be appointed to receive the votes at each polling place. The election judges shall act as clerks of election, count the ballots cast, and submit them to the board for canvass.

After canvassing the election, the board shall issue a certificate of election to the candidate who received the largest number of votes cast for each office. The clerk shall deliver the certificate to the person entitled to it in person or by certified mail. Each person certified shall file an acceptance and oath of office in writing with the clerk within 30 days after the date of delivery or mailing of the certificate. The board may fill any office as provided in subdivision 1 if the person elected fails to qualify within 30 days, but qualification is effective if made before the board acts to fill the vacancy.

Sec. 81. Laws 1963, chapter 276, section 2, subdivision 2, as amended by Laws 1992, chapter 534, section 1, is amended to read:

Subd. 2. ~~One third of the members of the first hospital board shall be appointed for a term to expire one year from December 31 next following such appointment, one third for a term to expire two years from such date, and one third for a term to expire three years from such date. Successors to the original board members shall each be elected for terms of three years, and all members shall hold office until their successors are elected and qualify. Terms of all members shall expire on December 31. In case of a vacancy on the hospital board, whether due to death, removal from the district, inability to serve, resignation, or other cause the majority of the remaining members of the hospital board, at its next regular or special meeting, shall make an appointment to fill such vacancy for the then unexpired term. The election of successors to the original board members shall be elected by popular vote of the qualified voters in the hospital district. Hospital board elections shall be conducted as provided in Minnesota Statutes, section 447.32. The hospital board shall, by resolution, adopt a plan for the orderly transition to the new election schedule. The resolution must be approved no later than four weeks before the first day to file affidavits of candidacy for the general election. The terms of hospital board members may be lengthened or shortened by one year as a part of the transition process.~~

Sec. 82. **APPROPRIATION.**

\$...... is appropriated from the general fund in fiscal year 2014 to the secretary of state to develop functionality within the statewide voter registration system to facilitate the processing and tracking of mail ballots.

Sec. 83. **REPEALER.**

(a) Minnesota Statutes 2012, sections 204B.42; 204D.11, subdivisions 2 and 3; 205.17, subdivisions 2 and 4; and 205A.08, subdivision 4, are repealed.

(b) Minnesota Statutes 2012, section 2.484, is repealed.

ARTICLE 3  
LOSS AND RESTORATION OF VOTING RIGHTS

Section 1. Minnesota Statutes 2012, section 13.851, subdivision 10, is amended to read:

Subd. 10. **Felony ~~sentene~~ offender data; voter registration.** The use and classification of felony ~~sentene~~ offender data made available to the secretary of state is governed by section 201.157.

Sec. 2. Minnesota Statutes 2012, section 201.054, is amended by adding a subdivision to read:

Subd. 1a. **Invalid registrations; notice to voter.** If the county auditor has reason to believe based upon records provided by another public entity that an individual who has submitted a voter registration application is not eligible to vote, the county auditor must notify the individual of the reason that the individual's eligibility is in question and that the individual will not be registered to vote unless the individual reaffirms the individual's eligibility in writing.

Sec. 3. Minnesota Statutes 2012, section 201.054, subdivision 2, is amended to read:

Subd. 2. **Prohibitions; penalty; affirmative defense.** (a) No individual shall intentionally:

~~(a)~~ (1) cause or attempt to cause the individual's name to be registered in any precinct if the individual is not eligible to vote;

~~(b)~~ (2) cause or attempt to cause the individual's name to be registered for the purpose of voting in more than one precinct;

~~(c)~~ (3) misrepresent the individual's identity when attempting to register to vote; or

~~(d)~~ (4) aid, abet, counsel, or procure any other individual to violate this subdivision.

A violation of this subdivision is a felony.

(b) It is an affirmative defense to a prosecution for violation of paragraph (a), clause (1), if the individual:

(1) requested, in writing, that the county auditor of the county where the individual resides withdraw the registration, and the request was made before any complaint was filed alleging a violation of paragraph (a), clause (1); and

(2) did not vote at an election between the time the registration application was submitted and the time the individual requested the registration be withdrawn.

Sec. 4. Minnesota Statutes 2012, section 201.157, is amended to read:

**201.157 USE OF DEPARTMENT OF CORRECTIONS DATA.**

Subdivision 1. Access to data. ~~As required by the Help America Vote Act of 2002, Public Law 107-252, (a)~~ The commissioner of corrections shall make electronic data available to the secretary of state on individuals 18 years of age or older who are currently:

(1) serving felony sentences under the commissioner's jurisdiction; or

(2) on probation for felony offenses that would result in the loss of civil rights, as indicated by the statewide supervision system established under section 241.065.

The data must include the name, date of birth, last known residential address that is not a correctional facility, and, if available, corrections' state identification number, ~~and if available,~~ and the driver's license or state identification card number, and, if an individual has completed the sentence, the date of discharge.

(b) The secretary of state must determine if any data newly indicates that:

(1) an individual with an active voter registration in the statewide voter registration system is currently serving a felony sentence under the commissioner's jurisdiction or is on probation for a felony offense that would result in the loss of civil rights and the individual's voter record does not already have a challenged status due to a felony conviction;

(2) an individual with an active voter registration in the statewide voter registration system who is currently serving a felony sentence under the commissioner's jurisdiction or who is on probation for a felony offense that would result in the loss of civil rights appears to have registered to vote or to have voted during a period when the individual's civil rights were revoked; and

(3) an individual with a voter record that has a challenged status due to a felony conviction who was serving a felony sentence under the commissioner's jurisdiction or who has been on probation for a felony offense that would result in the loss of civil rights has been discharged from a sentence.

The secretary of state shall prepare a list of the registrants included under clause (1), (2), or (3) for each county auditor. For individuals under clause (1), the county auditor shall challenge the individual's record in the statewide voter registration system. The county auditor must provide information to the county attorney about individuals under clause (2) for the county attorney's investigation. For individuals under clause (3), the county auditor must determine if the challenge status should be removed from the voter record for the individual, and if so, must remove the challenge.

The secretary of state must make the required determinations and provide the required lists to the county auditors at least monthly.

For each state general election that occurs prior to the statewide voter registration system being programmed to generate lists as required by this section, the secretary of state must make the determination and provide lists to the county auditors between 30 and 60 days before the election and again between six and ten weeks after the election. In the year following that state election, the secretary of state must make this determination and provide lists to the county auditors again as part of the annual list maintenance.

Subd. 2. Notice to affected individuals. (a) Between 60 and 65 days prior to a state general election, the Department of Corrections shall provide to the secretary of state a list of offenders who, at the time the list is prepared, are on supervised release or probation for a felony offense that resulted in the loss of civil rights. The list

shall also include former offenders who the data indicates were discharged from all felony-level sentences since the previous list was provided in accordance with this subdivision and who are not serving a felony-level sentence at the time the list is prepared. The data must include the offender's name; date of birth; last known residential address that is not a correctional facility; if available, corrections state identification number and driver's license or state identification card number; and if an offender has completed the sentence, the date the discharge occurred.

(b) The secretary of state shall use the data provided in paragraph (a) to mail written notices at least one month prior to a state general election, as follows:

(1) a notice to each individual on probation for a felony offense that would result in the loss of civil rights, informing the individual that registration or voting while on probation for the offense is itself a felony offense and may result in the loss of the individual's probation status; and

(2) a notice to each individual who has completed a term of probation resulting in the loss of civil rights and who has no new felony conviction, that the individual's right to vote has been restored.

Subd. 3. **Data.** Data on offenders submitted to the secretary of state under this section are private data on individuals as defined in section 13.02, subdivision 12, and may be used or disseminated only for purposes authorized by this section.

Sec. 5. Minnesota Statutes 2012, section 201.275, is amended to read:

#### **201.275 INVESTIGATIONS; PROSECUTIONS.**

A county attorney who law enforcement agency that is notified by affidavit of an alleged violation of this chapter shall promptly investigate. If there is probable cause for instituting a prosecution, the county attorney shall proceed by complaint or present the charge, with whatever evidence has been found, to the grand jury. A county attorney who refuses or intentionally fails to faithfully perform this or any other duty imposed by this chapter is guilty of a misdemeanor and upon conviction shall forfeit office. The county attorney, under the penalty of forfeiture of office, shall prosecute all violations of this chapter except violations of this section; if, however, a complainant withdraws an allegation under this chapter, the county attorney is not required to proceed with the prosecution according to the generally applicable standards regarding the prosecutorial functions and duties of a county attorney.

Sec. 6. Minnesota Statutes 2012, section 203B.06, subdivision 3, is amended to read:

Subd. 3. **Delivery of ballots.** (a) The commissioner of corrections must provide the secretary of state with a list of the names and mailing addresses of state adult correctional facilities. An application for an absentee ballot that provides an address included on the list provided by the commissioner of corrections must not be accepted and an absentee ballot must not be provided to the applicant. The county auditor or municipal clerk must promptly transmit a copy of the application to the county attorney. The Department of Corrections must implement procedures to ensure that absentee ballots issued under chapter 203B are not received or mailed by offenders incarcerated at state adult correctional facilities.

(b) If an application for absentee ballots is accepted at a time when absentee ballots are not yet available for distribution, the county auditor, or municipal clerk accepting the application shall file it and as soon as absentee ballots are available for distribution shall mail them to the address specified in the application. If an application for absentee ballots is accepted when absentee ballots are available for distribution, the county auditor or municipal clerk accepting the application shall promptly:

(1) mail the ballots to the voter whose signature appears on the application if the application is submitted by mail and does not request commercial shipping under clause (2);

(2) ship the ballots to the voter using a commercial shipper requested by the voter at the voter's expense;

(3) deliver the absentee ballots directly to the voter if the application is submitted in person; or

(4) deliver the absentee ballots in a sealed transmittal envelope to an agent who has been designated to bring the ballots, as provided in section 203B.11, subdivision 4, to a voter who would have difficulty getting to the polls because of incapacitating health reasons, or who is disabled, or who is a patient in a health care facility, a resident of a facility providing assisted living services governed by chapter 144G, a participant in a residential program for adults licensed under section 245A.02, subdivision 14, or a resident of a shelter for battered women as defined in section 611A.37, subdivision 4.

~~(b)~~ (c) If an application does not indicate the election for which absentee ballots are sought, the county auditor or municipal clerk shall mail or deliver only the ballots for the next election occurring after receipt of the application. Only one set of ballots may be mailed, shipped, or delivered to an applicant for any election, except as provided in section 203B.121, subdivision 2, or when a replacement ballot has been requested by the voter for a ballot that has been spoiled or lost in transit.

**EFFECTIVE DATE.** This section is effective June 15, 2013.

Sec. 7. Minnesota Statutes 2012, section 204C.14, is amended to read:

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

**Subdivision 1. Violations; penalty.** No individual shall intentionally:

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

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

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

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

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

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

A violation of this section is a felony.

**Subd. 2. Signature on roster as evidence of intent.** For purposes of proving a violation of this section, the signature of an individual on a polling place roster is prima facie evidence of the intent of the individual to vote at that election.

Sec. 8. Minnesota Statutes 2012, section 241.065, subdivision 2, is amended to read:

Subd. 2. **Establishment.** The Department of Corrections shall administer and maintain a computerized data system for the purpose of assisting criminal justice agencies in monitoring and enforcing the conditions of conditional release imposed on criminal offenders by a sentencing court or the commissioner of corrections. The adult data and juvenile data as defined in section 260B.171 in the statewide supervision system are private data as defined in section 13.02, subdivision 12, but are accessible to criminal justice agencies as defined in section 13.02, subdivision 3a, to the Minnesota sex offender program as provided in section 246B.04, subdivision 3, to public defenders as provided in section 611.272, to all trial courts and appellate courts, and to criminal justice agencies in other states in the conduct of their official duties. Adult data in the statewide supervision system are accessible to the secretary of state for the purposes described in section 201.157.

Sec. 9. **[244.25] NOTICE OF LOSS OF VOTING RIGHTS.**

Whenever an adult felon is placed on probation supervision, the individual must be provided a written notice, included in the probation agreement, that the individual may not register to vote or cast a ballot in any election during the period of felony supervision. The individual must acknowledge, by signature, receipt of the notice. A copy of the notice and signature must be placed in the felon's probation supervision file.

Sec. 10. **APPROPRIATION.**

(a) \$..... is appropriated in fiscal year 2014 and \$..... is appropriated in fiscal year 2015 to the secretary of state to administer this act. Of these amounts, \$..... is added to the base budget of the secretary of state.

(b) \$..... is appropriated in fiscal year 2014 and \$..... is appropriated in fiscal year 2015 to the commissioner of corrections to administer this act. Of this amount, \$..... is added to the base budget of the Department of Corrections.

#### ARTICLE 4 ELECTRONIC ROSTERS

Section 1. **ELECTRONIC ROSTER PILOT PROJECT.**

Subdivision 1. **Established.** A pilot project is established to explore the use of electronic rosters in conducting elections. Jurisdictions participating in the project must use electronic rosters to process election day registration. The pilot project shall apply to general elections for home rule charter or statutory cities conducted in participating cities in 2013. The standards for conducting the pilot project are as provided in this section.

Subd. 2. **Participating cities.** Precincts located in Minnetonka, Moorhead, St. Anthony, St. Paul, and St. Peter may participate in the project. In participating cities, individual precincts shall be selected by the head elections official within each jurisdiction.

Subd. 3. **Requirements of electronic roster technology.** In participating cities, an electronic roster and the computer it is run on must:

(1) allow for data to be exported in a file format prescribed by the secretary of state;

(2) allow for data to be entered manually or by scanning a Minnesota driver's license or identification card to populate a voter registration application that would be printed and signed and dated by the voter;

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

(4) immediately alert the election judge if the electronic roster indicates that a voter has already voted, or it appears that the voter resides in a different precinct; and

(5) perform any other functions necessary for the efficient and secure administration of the election, as determined by the secretary of state.

**Subd. 4. Minnesota Election Law; other law.** Except as provided in this section, the provisions of the Minnesota Election Law apply to this pilot project, so far as practicable. Voters participating in the safe at home program must be allowed to vote pursuant to Minnesota Statutes, section 5B.06. Nothing in this section shall be construed to amend absentee voting provisions in Minnesota Statutes, chapter 203B.

**Subd. 5. Election records retention.** All voter's signature certificates and voter registration applications printed from an electronic roster shall be retained pursuant to Minnesota Statutes, section 204B.40. Data on election day registrants must be uploaded to the statewide voter registration system for processing by county auditors.

**Subd. 6. Evaluation.** The secretary of state must provide for an evaluation of the pilot project and must report to the legislative committees with jurisdiction over elections by February 15, 2014. The report must include:

(1) a description of the technology that was used and explanation of how that technology was selected;

(2) the process used for implementing electronic poll books;

(3) a description of training that was conducted for election judges and other election officials in precincts that used electronic poll books;

(4) the number of voters who voted in each precinct using electronic poll books;

(5) comments or feedback from election judges or others in a precinct using electronic poll books;

(6) the costs associated with the use of electronic poll books, broken down by precinct;

(7) comments or feedback from the participating cities and counties regarding data transfers and other exchanges of information; and

(8) any other feedback or recommendations the secretary of state believes are relevant to evaluating the pilot project.

**Sec. 2. USE OF ELECTRONIC ROSTERS FOR PREREGISTERED VOTERS; MOCK ELECTION.**

(a) No later than April 15, 2014, the secretary of state must conduct a mock election to demonstrate and test the use of electronic rosters that contain data on preregistered voters. The secretary of state must ensure that the list of preregistered voters used for the mock election includes the variety of types of voters that could appear in a polling place, including voters listed as "challenged" for different reasons, voters who are registered at a different address in the precinct, voters who have already voted in-person at the polling place, and voters who have already voted by absentee ballot. The mock election must test the ability of the electronic roster technology to upload data from the electronic roster into the statewide voter registration system. Prior to the mock election, the secretary of state, in consultation with local election officials, must develop a checklist of items that should be tested when using electronic rosters that contain data on preregistered voters and prepare specific instructions to be displayed on the electronic roster to the election judge for resolving a particular type of challenge when a voter's record is challenged.



The secretary of state may adopt other procedures related to the conduct of the mock election as necessary to ensure the mock election resembles, to the extent practical, an actual election conducted according to the Minnesota Election Law.

(b) On or before April 30, 2014, the secretary of state must report the results of the mock election to the chairs and ranking minority members of the legislative committees with jurisdiction over elections, including feedback on the process from local elections officials, and recommendations about the feasibility of using electronic rosters that contain data on preregistered voters at the 2014 state primary and state general election.

Sec. 3. **ELECTRONIC ROSTER TASK FORCE.**

Subdivision 1. **Membership.** (a) The Electronic Roster Task Force consists of the following 15 members:

- (1) the director of the Department of Public Safety, Division of Vehicle Services, or designee;
- (2) the secretary of state, or designee;
- (3) an individual designated by the secretary of state, from the elections division in the Office of the Secretary of State;
- (4) the chief information officer of the state of Minnesota, or designee;
- (5) one county auditor appointed by the Minnesota Association of County Officers;
- (6) one town election official appointed by the Minnesota Association of Townships;
- (7) one city election official appointed by the League of Minnesota Cities;
- (8) one school district election official appointed by the Minnesota School Boards Association;
- (9) one representative appointed by the speaker of the house;
- (10) one representative appointed by the minority leader of the house of representatives;
- (11) one senator appointed by the senate majority leader;
- (12) one senator appointed by the senate minority leader;
- (13) one individual, appointed by the governor, familiar with electronic roster technology but who does not represent a specific vendor of the technology; and
- (14) two election judges appointed by the governor.

(b) Any vacancy shall be filled by appointment of the appointing authority for the vacating member.

(c) Members shall be appointed by June 1, 2013.

Subd. 2. **Duties.** (a) The task force must research the following issues:

- (1) electronic roster technology, including different types of electronic rosters;

(2) the ability to use photographs received from the Department of Public Safety, Division of Driver and Vehicle Services;

(3) the ability to add photographs to the roster on election day;

(4) data security in electronic rosters, the statewide voter registration system, and the Department of Public Safety, Division of Driver and Vehicle Services;

(5) reliability of Department of Public Safety, Division of Driver and Vehicle Services data, including the ability to match names and photographs without duplication;

(6) ability of precincts across the state to connect an electronic roster to a secure network to access the statewide voter registration system; and

(7) direct and indirect costs associated with using electronic rosters.

(b) The task force must prepare a report summarizing its findings and listing recommendations based on its research. The report shall include suggested legislation if the task force believes legislation is necessary.

Subd. 3. **First meeting.** (a) The secretary of state, or the secretary's designee, must convene the initial meeting of the task force by July 1, 2013. The members of the task force must elect a chair and a vice-chair from the members of the task force at the first meeting.

(b) Members of the task force shall be compensated at the rate of \$55 a day spent on task force activities, when authorized by the task force, plus expenses in the same manner and amount as authorized by the commissioner's plan adopted under Minnesota Statutes, section 43A.18, subdivision 2. Members who, as a result of time spent attending task force meetings, incur child care expenses that would not otherwise have been incurred, may be reimbursed for those expenses upon council or committee authorization. Legislative members of the task force shall receive compensation pursuant to Minnesota Statutes, section 3.099, for activities related to the task force. Members who are state employees, not including legislators, must not receive the daily compensation for activities that occur during working hours for which they are compensated by the state.

(c) The Legislative Coordinating Commission shall provide staff support, as needed, to facilitate the task force's work.

Subd. 4. **Report.** The task force shall submit its report to the chairs and ranking minority members of the legislative committees with primary jurisdiction over elections by February 15, 2014.

Sec. 4. **APPROPRIATION.**

(a) \$..... is appropriated from the general fund to the secretary of state to carry out the requirements of sections 1 and 2.

(b) \$..... is appropriated to the Legislative Coordinating Commission for the purposes of the task force established in section 3.

Sec. 5. **EFFECTIVE DATE.**

This article is effective the day following final enactment.

ARTICLE 5  
VACANCIES IN NOMINATION

Section 1. Minnesota Statutes 2012, section 204B.13, subdivision 1, is amended to read:

Subdivision 1. ~~Death or withdrawal~~ **Partisan office.** (a) A vacancy in nomination ~~may~~ for a partisan office must be filled in the manner provided by this section. A vacancy in nomination exists for a partisan office when: ~~(1) a major political party candidate or nonpartisan candidate who was nominated at a primary dies or files an affidavit of withdrawal as provided in section 204B.12, subdivision 2a; or (2) a candidate for a nonpartisan office, for which one or two candidates filed, who has been nominated in accordance with section 204D.03, subdivision 3, or 204D.10, subdivision 1:~~

(1) dies;

(2) withdraws as provided in section 204B.12, subdivision 1; or

(3) withdraws by filing an affidavit of withdrawal, as provided in paragraph (b), at least one day prior to the general election with the same official who received the affidavit of candidacy.

(b) An affidavit of withdrawal filed under paragraph (a), clause (3), must state that the candidate has been diagnosed with a catastrophic illness that will permanently and continuously incapacitate the candidate and prevent the candidate from performing the duties of the office sought, if elected. The affidavit must be accompanied by a certificate verifying the candidate's illness meets the requirements of this paragraph, signed by at least two licensed physicians. The affidavit and certificate may be filed by the candidate or the candidate's legal guardian.

Sec. 2. Minnesota Statutes 2012, section 204B.13, subdivision 2, is amended to read:

Subd. 2. **Partisan office; nomination by party; special election.** (a) ~~A vacancy in nomination for partisan office shall be filled as provided in this subdivision. Except as provided in subdivision 5, a major political party has the authority to~~ may fill a vacancy in nomination of that party's candidate as defined in subdivision 1, clause (1) or (3), by filing a ~~one~~ nomination certificate with the same official who received the affidavits of candidacy for that office.

~~(b)~~ A major political party may provide in its governing rules a procedure, including designation of an appropriate committee, to fill ~~vacancies~~ a vacancy in nomination for ~~all offices elected statewide~~ any federal or state partisan office. The nomination certificate shall be prepared under the direction of and executed by the chair and secretary of the political party and filed within ~~seven days after the vacancy in nomination occurs or before the 14th day before the general election, whichever is sooner. If the vacancy in nomination occurs through the candidate's death or catastrophic illness, the nomination certificate must be filed within seven days after the vacancy in nomination occurs but no later than four days before the general election~~ the timelines established in this section. When filing the certificate the chair and secretary ~~when filing the certificate~~ shall attach an affidavit stating that the newly nominated candidate has been selected under the rules of the party and that the individuals signing the certificate and making the affidavit are the chair and secretary of the party.

(b) In the case of a vacancy in nomination for partisan office that occurs on or before the 79th day before the general election, the major political party must file the nomination certificate no later than 71 days before the general election. The name of the candidate nominated by the party must appear on the general election ballot.

(c) Except as provided in subdivision 5, in the case of a vacancy in nomination for a partisan office that occurs after the 79th day before the general election, the general election ballot shall remain unchanged, but the county and state canvassing boards must not certify the vote totals for that office from the general election, and the office must be filled at a special election held in accordance with this section. Except for the vacancy in nomination, all other

candidates whose names appeared on the general election ballot for the office must appear on the special election ballot for the office. New affidavits of candidacy or nominating petitions may not be accepted, and there must not be a primary to fill the vacancy in nomination. The major political party may file a nomination certificate as provided in paragraph (a), no later than seven days after the general election. On the date of the general election, the county auditor or municipal clerk shall post a notice in each precinct affected by a vacancy in nomination under this paragraph, informing voters of the reason for the vacancy in nomination and the procedures for filling the vacancy in nomination and conducting a special election as required by this section.

Sec. 3. Minnesota Statutes 2012, section 204B.13, is amended by adding a subdivision to read:

Subd. 2a. **Partisan office; filing period.** A vacancy in nomination for a partisan office due to a withdrawal of a candidate under section 204B.12, subdivision 1, may be filled in the manner provided in sections 204B.06, 204B.09, and 204B.11, except that all documents and fees required by those sections must be filed within five days after the vacancy in nomination occurs. There must be a two-day period for withdrawal of candidates after the last day for filing.

If there is more than one candidate at the end of the withdrawal period to fill the vacancy in nomination, the candidates' names must appear on the primary ballot. Otherwise, the candidate's name must appear on the general election ballot.

Sec. 4. Minnesota Statutes 2012, section 204B.13, subdivision 5, is amended to read:

Subd. 5. **Candidates for governor and lieutenant governor.** (a) If a vacancy in nomination for a major political party occurs in the race for governor, the political party must nominate the candidates for both governor and lieutenant governor. If a vacancy in nomination for a major political party occurs in the race for lieutenant governor, the candidate for governor ~~determined under this section~~ shall select the candidate for lieutenant governor. ~~If a vacancy in nomination occurs in the race for lieutenant governor, due to a vacancy in nomination for governor or due to the withdrawal or death of the candidate for lieutenant governor, the candidate for governor shall select the candidate for lieutenant governor as provided in this subdivision.~~

(b) For a vacancy in nomination for lieutenant governor that occurs on or before the ~~16th~~ 79th day before the general election, the name of the lieutenant governor candidate must be submitted by the governor candidate to the filing officer ~~within seven days after the vacancy occurs, or before the 14th day before the general election, whichever is sooner~~ no later than 71 days before the general election. If the vacancy in nomination ~~occurs through the death or catastrophic illness of the candidate~~ for lieutenant governor occurs after the 79th day before the general election, the candidate for governor shall submit the name of the new lieutenant governor candidate to the secretary of state within seven days after the vacancy in nomination ~~occurs but no later than four days before the general election.~~ occurs, but no changes may be made to the general election ballots. ~~If the vacancy in nomination occurs through the death or catastrophic illness of the candidate for governor, the new candidate for governor shall submit the name of the lieutenant governor candidate within seven days after the vacancy in nomination for governor is filled under section 204B.13, subdivision 2, but no later than four days before the general election.~~

Sec. 5. Minnesota Statutes 2012, section 204B.13, is amended by adding a subdivision to read:

Subd. 7. **Date of special election.** If a special election is required under this section, the governor shall issue a writ calling for a special election to be conducted on the second Tuesday in February of the year following the year the vacancy in nomination occurred. Except where otherwise provided in this section, the writ shall be issued and the special election conducted according to the requirements of sections 204D.22 to 204D.27.

Sec. 6. Minnesota Statutes 2012, section 204B.13, is amended by adding a subdivision to read:

Subd. 8. **Absentee voters.** At least 46 days, but no more than 50 days, before a special election conducted under this section, the county auditor shall transmit an absentee ballot for the special election to each applicant for an absentee ballot whose application for an absentee ballot for the preceding general election was recorded under section 203B.04 or 203B.17. New applicants for an absentee ballot may be provided a ballot in the manner specified in chapter 203B.

Sec. 7. Minnesota Statutes 2012, section 204B.13, is amended by adding a subdivision to read:

Subd. 9. **Appropriation.** In the case of a statewide special election under this section, the amount necessary is appropriated to the secretary of state to cover costs incurred by the state, county, and municipal governments to conduct the special election.

Sec. 8. **[204B.131] VACANCY IN NOMINATION; NONPARTISAN OFFICE.**

Subdivision 1. **Applicability.** A vacancy in nomination for a nonpartisan office must be filled in the manner provided by this section. A vacancy in nomination for a nonpartisan office exists when:

(1) a candidate for any nonpartisan office, for which one or two candidates filed, withdraws as provided in section 204B.12, subdivision 1; or

(2) a candidate for any nonjudicial nonpartisan office, for which only one or two candidates filed or who was nominated at a primary, dies more than 79 days before the date of the general election.

Subd. 2. **Procedure for filling vacancy.** A vacancy in nomination for a nonpartisan office may be filled by filing an affidavit of candidacy and paying a filing fee, or by filing an affidavit of candidacy and filing a petition in place of a filing fee, in the manner provided in sections 204B.06, 204B.09, and 204B.11. All documents and fees required by this subdivision must be filed within five days after the vacancy in nomination occurs. There must be a two-day period for withdrawal of candidates after the last day for filing.

If the vacancy in nomination resulted from a withdrawal during the withdrawal period held on the 68th to 69th day before the primary, and if, at the end of the withdrawal period to fill the vacancy in nomination, there are more than two candidates, the candidates' names must appear on the primary ballot. In all other cases, the candidates' names must appear on the general election ballot.

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

Sec. 9. Minnesota Statutes 2012, section 204D.19, is amended by adding a subdivision to read:

Subd. 6. **Writ when vacancy results from vacancy in nomination.** If a vacancy in office is due to a vacancy in nomination under section 204B.13, the governor shall issue a writ in the manner provided in that section.

Sec. 10. **REPEALER.**

(a) Minnesota Statutes 2012, sections 204B.12, subdivision 2a; and 204B.13, subdivision 6, are repealed.

(b) Minnesota Statutes 2012, section 204B.13, subdivision 4, is repealed.

Sec. 11. **EFFECTIVE DATE.**

This article is effective the day following final enactment.

ARTICLE 6  
COUNTY GOVERNMENT STRUCTURE

Section 1. **KANDIYOHI COUNTY AUDITOR-TREASURER AND RECORDER MAY BE APPOINTED.**

Subdivision 1. **Authorization to make office appointive.** Notwithstanding Minnesota Statutes, section 382.01, upon adoption of a resolution by the Kandiyohi County Board of Commissioners, the offices of county auditor-treasurer and county recorder are not elective but must be filled by appointment by the county board as provided in the resolution.

Subd. 2. **Board controls; may change as long as duties done.** Upon adoption of a resolution by the county board of commissioners and subject to subdivisions 3 and 4, the duties of an elected official required by statute whose office is made appointive as authorized by this section must be discharged by the county board of commissioners acting through a department head appointed by the board for that purpose. Reorganization, reallocation, delegation, or other administrative change or transfer does not diminish, prohibit, or avoid the discharge of duties required by statute.

Subd. 3. **Incumbents to complete term.** The person elected at the last general election to an office made appointive under this section must serve in that capacity and perform the duties, functions, and responsibilities required by statute until the completion of the term of office to which the person was elected or until a vacancy occurs in the office, whichever occurs earlier.

Subd. 4. **Publishing resolution; petition; referendum.** (a) Before the adoption of a resolution to provide for the appointment of the county auditor-treasurer and the county recorder, the county board must publish a proposed resolution notifying the public of its intent to consider the issue once each week for two consecutive weeks in the official publication of the county. Following publication and prior to formally adopting the resolution, the county board shall provide an opportunity at its next regular meeting for public comment relating to the issue. After the public comment opportunity, at the same meeting or a subsequent meeting, the county board of commissioners may adopt a resolution that provides for the appointment of the county auditor-treasurer and the county recorder as permitted in this section. The resolution must be approved by at least 80 percent of the members of the county board. The resolution may take effect 60 days after it is adopted, or at a later date stated in the resolution, unless a petition is filed as provided in paragraph (b).

(b) Within 60 days after the county board adopts the resolution, a petition requesting a referendum may be filed with the county auditor-treasurer. The petition must be signed by at least ten percent of the registered voters of the county. The petition must meet the requirements of the secretary of state, as provided in Minnesota Statutes, section 204B.071, and any rules adopted to implement that section. If the petition is sufficient, the question of appointing the county auditor-treasurer and recorder must be placed on the ballot at a regular or special election. If a majority of the voters of the county voting on the question vote in favor of appointment, the resolution may be implemented.

Subd. 5. **Reverting to elected offices.** (a) The county board may adopt a resolution to provide for the election of an office made an appointed position under this section, but not until at least three years after the office was made an appointed position. The county board must publish a proposed resolution notifying the public of its intent to consider the issue once each week for two consecutive weeks in the official publication of the county. Following publication and before formally adopting the resolution, the county board must provide an opportunity at its next regular meeting for public comment relating to the issue. After the public comment hearing, the county board may adopt the resolution. The resolution must be approved by at least 60 percent of the members of the county board and is effective August 1 following adoption of the resolution.

(b) The question of whether an office made an appointed position under this section must be made an elected office must be placed on the ballot at the next general election if:

(1) the position has been an appointed position for at least three years;

(2) a petition signed by at least ten percent of the registered voters of the county is filed with the office of the county auditor-treasurer by August 1 of the year in which the general election is held; and

(3) the petition meets the requirements of the secretary of state, as provided in Minnesota Statutes, section 204B.071, and any rules adopted to implement that section. If a majority of the voters of the county voting on the question vote in favor of making the office an elected position, the election for the office must be held at the next regular or special election.

**EFFECTIVE DATE.** This section is effective the day after the Kandiyohi County Board of Commissioners and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 2. **LAKE COUNTY AUDITOR-TREASURER AND RECORDER MAY BE APPOINTED.**

Subdivision 1. **Authorization to make office appointive.** Notwithstanding Minnesota Statutes, section 382.01, upon adoption of a resolution by the Lake County Board of Commissioners, the offices of county auditor-treasurer and county recorder are not elective but must be filled by appointment by the county board as provided in the resolution.

Subd. 2. **Board controls; may change as long as duties done.** Upon adoption of a resolution by the county board of commissioners and subject to subdivisions 3 and 4, the duties of an elected official required by statute whose office is made appointive as authorized by this section must be discharged by the county board of commissioners acting through a department head appointed by the board for that purpose. Reorganization, reallocation, delegation, or other administrative change or transfer does not diminish, prohibit, or avoid the discharge of duties required by statute.

Subd. 3. **Incumbents to complete term.** The person elected at the last general election to an office made appointive under this section must serve in that capacity and perform the duties, functions, and responsibilities required by statute until the completion of the term of office to which the person was elected or until a vacancy occurs in the office, whichever occurs earlier.

Subd. 4. **Publishing resolution; petition; referendum.** (a) Before the adoption of a resolution to provide for the appointment of the county auditor-treasurer and the county recorder, the county board must publish a proposed resolution notifying the public of its intent to consider the issue once each week for two consecutive weeks in the official publication of the county. Following publication and prior to formally adopting the resolution, the county board shall provide an opportunity at its next regular meeting for public comment relating to the issue. After the public comment opportunity, at the same meeting or a subsequent meeting, the county board of commissioners may adopt a resolution that provides for the appointment of the county auditor-treasurer and the county recorder as permitted in this section. The resolution must be approved by at least 80 percent of the members of the county board. The resolution may take effect 60 days after it is adopted, or at a later date stated in the resolution, unless a petition is filed as provided in paragraph (b).

(b) Within 60 days after the county board adopts the resolution, a petition requesting a referendum may be filed with the county auditor-treasurer. The petition must be signed by at least ten percent of the registered voters of the county. The petition must meet the requirements of the secretary of state, as provided in Minnesota Statutes, section 204B.071, and any rules adopted to implement that section. If the petition is sufficient, the question of appointing the county auditor-treasurer and recorder must be placed on the ballot at a regular or special election. If a majority of the voters of the county voting on the question vote in favor of appointment, the resolution may be implemented.

Subd. 5. **Reverting to elected offices.** (a) The county board may adopt a resolution to provide for the election of an office made an appointed position under this section, but not until at least three years after the office was made an appointed position. The county board must publish a proposed resolution notifying the public of its intent to consider the issue once each week for two consecutive weeks in the official publication of the county. Following publication and before formally adopting the resolution, the county board must provide an opportunity at its next regular meeting for public comment relating to the issue. After the public comment hearing, the county board may adopt the resolution. The resolution must be approved by at least 60 percent of the members of the county board and is effective August 1 following adoption of the resolution.

(b) The question of whether an office made an appointed position under this section must be made an elected office must be placed on the ballot at the next general election if:

(1) the position has been an appointed position for at least three years;

(2) a petition signed by at least ten percent of the registered voters of the county is filed with the office of the county auditor-treasurer by August 1 of the year in which the general election is held; and

(3) the petition meets the requirements of the secretary of state, as provided in Minnesota Statutes, section 204B.071, and any rules adopted to implement that section. If a majority of the voters of the county voting on the question vote in favor of making the office an elected position, the election for the office must be held at the next regular or special election.

**EFFECTIVE DATE.** This section is effective the day after the Lake County Board of Commissioners and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

### Sec. 3. **CLAY COUNTY AUDITOR-TREASURER AND RECORDER MAY BE APPOINTED.**

Subdivision 1. **Authorization to make office appointive.** Notwithstanding Minnesota Statutes, section 382.01, upon adoption of a resolution by the Clay County Board of Commissioners, the offices of county auditor-treasurer and county recorder are not elective but must be filled by appointment by the county board as provided in the resolution.

Subd. 2. **Board controls; may change as long as duties done.** Upon adoption of a resolution by the county board of commissioners and subject to subdivisions 3 and 4, the duties of an elected official required by statute whose office is made appointive as authorized by this section must be discharged by the county board of commissioners acting through a department head appointed by the board for that purpose. Reorganization, reallocation, delegation, or other administrative change or transfer does not diminish, prohibit, or avoid the discharge of duties required by statute.

Subd. 3. **Incumbents to complete term.** The person elected at the last general election to an office made appointive under this section must serve in that capacity and perform the duties, functions, and responsibilities required by statute until the completion of the term of office to which the person was elected or until a vacancy occurs in the office, whichever occurs earlier.

Subd. 4. **Publishing resolution; petition; referendum.** (a) Before the adoption of a resolution to provide for the appointment of the county auditor-treasurer and the county recorder, the county board must publish a proposed resolution notifying the public of its intent to consider the issue once each week for two consecutive weeks in the official publication of the county. Following publication and prior to formally adopting the resolution, the county board shall provide an opportunity at its next regular meeting for public comment relating to the issue. After the public comment opportunity, at the same meeting or a subsequent meeting, the county board of commissioners may adopt a resolution that provides for the appointment of the county auditor-treasurer and the county recorder as permitted in this section. The resolution must be approved by at least 80 percent of the members of the county board. The resolution may take effect 60 days after it is adopted, or at a later date stated in the resolution, unless a petition is filed as provided in paragraph (b).



(b) Within 60 days after the county board adopts the resolution, a petition requesting a referendum may be filed with the county auditor-treasurer. The petition must be signed by at least ten percent of the registered voters of the county. The petition must meet the requirements of the secretary of state, as provided in Minnesota Statutes, section 204B.071, and any rules adopted to implement that section. If the petition is sufficient, the question of appointing the county auditor-treasurer and recorder must be placed on the ballot at a regular or special election. If a majority of the voters of the county voting on the question vote in favor of appointment, the resolution may be implemented.

Subd. 5. **Reverting to elected offices.** (a) The county board may adopt a resolution to provide for the election of an office made an appointed position under this section, but not until at least three years after the office was made an appointed position. The county board must publish a proposed resolution notifying the public of its intent to consider the issue once each week for two consecutive weeks in the official publication of the county. Following publication and before formally adopting the resolution, the county board must provide an opportunity at its next regular meeting for public comment relating to the issue. After the public comment hearing, the county board may adopt the resolution. The resolution must be approved by at least 60 percent of the members of the county board and is effective August 1 following adoption of the resolution.

(b) The question of whether an office made an appointed position under this section must be made an elected office must be placed on the ballot at the next general election if:

(1) the position has been an appointed position for at least three years;

(2) a petition signed by at least ten percent of the registered voters of the county is filed with the office of the county auditor-treasurer by August 1 of the year in which the general election is held; and

(3) the petition meets the requirements of the secretary of state, as provided in Minnesota Statutes, section 204B.071, and any rules adopted to implement that section. If a majority of the voters of the county voting on the question vote in favor of making the office an elected position, the election for the office must be held at the next regular or special election.

**EFFECTIVE DATE.** This section is effective the day after the Clay County Board of Commissioners and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

#### Sec. 4. **JACKSON COUNTY AUDITOR-TREASURER MAY BE APPOINTED.**

Subdivision 1. **Authorization to make office appointive.** Notwithstanding Minnesota Statutes, section 382.01, upon adoption of a resolution by the Jackson County Board of Commissioners, the office of county auditor-treasurer is not elective but must be filled by appointment by the county board as provided in the resolution.

Subd. 2. **Board controls; may change as long as duties done.** Upon adoption of a resolution by the county board of commissioners and subject to subdivisions 3 and 4, the duties of an elected official required by statute whose office is made appointive as authorized by this section must be discharged by the county board of commissioners acting through a department head appointed by the board for that purpose. Reorganization, reallocation, delegation, or other administrative change or transfer does not diminish, prohibit, or avoid the discharge of duties required by statute.

Subd. 3. **Incumbents to complete term.** The person elected at the last general election to an office made appointive under this section must serve in that capacity and perform the duties, functions, and responsibilities required by statute until the completion of the term of office to which the person was elected or until a vacancy occurs in the office, whichever occurs earlier.

Subd. 4. **Publishing resolution; petition; referendum.** (a) Before the adoption of a resolution to provide for the appointment of the county auditor-treasurer, the county board must publish a proposed resolution notifying the public of its intent to consider the issue once each week for two consecutive weeks in the official publication of the county. Following publication and prior to formally adopting the resolution, the county board shall provide an opportunity at its next regular meeting for public comment relating to the issue. After the public comment opportunity, at the same meeting or a subsequent meeting, the county board of commissioners may adopt a resolution that provides for the appointment of the county auditor-treasurer as permitted in this section. The resolution must be approved by at least 80 percent of the members of the county board. The resolution may take effect 60 days after it is adopted, or at a later date stated in the resolution, unless a petition is filed as provided in paragraph (b).

(b) Within 60 days after the county board adopts the resolution, a petition requesting a referendum may be filed with the county auditor-treasurer. The petition must be signed by at least ten percent of the registered voters of the county. The petition must meet the requirements of the secretary of state, as provided in Minnesota Statutes, section 204B.071, and any rules adopted to implement that section. If the petition is sufficient, the question of appointing the county auditor-treasurer must be placed on the ballot at a regular or special election. If a majority of the voters of the county voting on the question vote in favor of appointment, the resolution may be implemented.

Subd. 5. **Reverting to elected offices.** (a) The county board may adopt a resolution to provide for the election of an office made an appointed position under this section, but not until at least three years after the office was made an appointed position. The county board must publish a proposed resolution notifying the public of its intent to consider the issue once each week for two consecutive weeks in the official publication of the county. Following publication and before formally adopting the resolution, the county board must provide an opportunity at its next regular meeting for public comment relating to the issue. After the public comment hearing, the county board may adopt the resolution. The resolution must be approved by at least 60 percent of the members of the county board and is effective August 1 following adoption of the resolution.

(b) The question of whether an office made an appointed position under this section must be made an elected office must be placed on the ballot at the next general election if:

(1) the position has been an appointed position for at least three years;

(2) a petition signed by at least ten percent of the registered voters of the county is filed with the office of the county auditor-treasurer by August 1 of the year in which the general election is held; and

(3) the petition meets the requirements of the secretary of state, as provided in Minnesota Statutes, section 204B.071, and any rules adopted to implement that section. If a majority of the voters of the county voting on the question vote in favor of making the office an elected position, the election for the office must be held at the next regular or special election.

**EFFECTIVE DATE.** This section is effective the day after the Jackson County Board of Commissioners and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

#### **Sec. 5. LYON COUNTY AUDITOR-TREASURER AND RECORDER MAY BE APPOINTED.**

Subdivision 1. **Authorization to make office appointive.** Notwithstanding Minnesota Statutes, section 382.01, upon adoption of a resolution by the Lyon County Board of Commissioners, the offices of county auditor-treasurer and county recorder are not elective but must be filled by appointment by the county board as provided in the resolution.

**Subd. 2. Board controls; may change as long as duties done.** Upon adoption of a resolution by the county board of commissioners and subject to subdivisions 3 and 4, the duties of an elected official required by statute whose office is made appointive as authorized by this section must be discharged by the county board of commissioners acting through a department head appointed by the board for that purpose. Reorganization, reallocation, delegation, or other administrative change or transfer does not diminish, prohibit, or avoid the discharge of duties required by statute.

**Subd. 3. Incumbents to complete term.** The person elected at the last general election to an office made appointive under this section must serve in that capacity and perform the duties, functions, and responsibilities required by statute until the completion of the term of office to which the person was elected or until a vacancy occurs in the office, whichever occurs earlier.

**Subd. 4. Publishing resolution; petition; referendum.** (a) Before the adoption of a resolution to provide for the appointment of the county auditor-treasurer and the county recorder, the county board must publish a proposed resolution notifying the public of its intent to consider the issue once each week for two consecutive weeks in the official publication of the county. Following publication and prior to formally adopting the resolution, the county board shall provide an opportunity at its next regular meeting for public comment relating to the issue. After the public comment opportunity, at the same meeting or a subsequent meeting, the county board of commissioners may adopt a resolution that provides for the appointment of the county auditor-treasurer and the county recorder as permitted in this section. The resolution must be approved by at least 80 percent of the members of the county board. The resolution may take effect 60 days after it is adopted, or at a later date stated in the resolution, unless a petition is filed as provided in paragraph (b).

(b) Within 60 days after the county board adopts the resolution, a petition requesting a referendum may be filed with the county auditor-treasurer. The petition must be signed by at least ten percent of the registered voters of the county. The petition must meet the requirements of the secretary of state, as provided in Minnesota Statutes, section 204B.071, and any rules adopted to implement that section. If the petition is sufficient, the question of appointing the county auditor-treasurer and recorder must be placed on the ballot at a regular or special election. If a majority of the voters of the county voting on the question vote in favor of appointment, the resolution may be implemented.

**Subd. 5. Reverting to elected offices.** (a) The county board may adopt a resolution to provide for the election of an office made an appointed position under this section, but not until at least three years after the office was made an appointed position. The county board must publish a proposed resolution notifying the public of its intent to consider the issue once each week for two consecutive weeks in the official publication of the county. Following publication and before formally adopting the resolution, the county board must provide an opportunity at its next regular meeting for public comment relating to the issue. After the public comment hearing, the county board may adopt the resolution. The resolution must be approved by at least 60 percent of the members of the county board and is effective August 1 following adoption of the resolution.

(b) The question of whether an office made an appointed position under this section must be made an elected office must be placed on the ballot at the next general election if:

(1) the position has been an appointed position for at least three years;

(2) a petition signed by at least ten percent of the registered voters of the county is filed with the office of the county auditor-treasurer by August 1 of the year in which the general election is held; and

(3) the petition meets the requirements of the secretary of state, as provided in Minnesota Statutes, section 204B.071, and any rules adopted to implement that section. If a majority of the voters of the county voting on the question vote in favor of making the office an elected position, the election for the office must be held at the next regular or special election.

**EFFECTIVE DATE.** This section is effective the day after the Lyon County Board of Commissioners and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

ARTICLE 7  
NATIONAL POPULAR VOTE; INTERSTATE COMPACT

Section 1. **[208.051] AGREEMENT AMONG THE STATES TO ELECT THE PRESIDENT BY NATIONAL POPULAR VOTE.**

The Agreement Among the States to Elect the President by National Popular Vote is enacted into law and entered into with all other states legally joining in it in substantially the following form:

Article I - Membership

Any state of the United States and the District of Columbia may become a member of this agreement by enacting this agreement.

Article II - Right of the People in Member States to  
Vote for President and Vice President

Each member state shall conduct a statewide popular election for president and vice president of the United States.

Article III - Manner of Appointing Presidential Electors in Member States

Prior to the time set by law for the meeting and voting by the presidential electors, the chief election official of each member state shall determine the number of votes for each presidential slate in each state of the United States and in the District of Columbia in which votes have been cast in a statewide popular election and shall add such votes together to produce a "national popular vote total" for each presidential slate. The chief election official of each member state shall designate the presidential slate with the largest national popular vote total as the "national popular vote winner." The presidential elector certifying official of each member state shall certify the appointment in that official's own state of the elector slate nominated in that state in association with the national popular vote winner. At least six days before the day fixed by law for the meeting and voting by the presidential electors, each member state shall make a final determination of the number of popular votes cast in the state for each presidential slate and shall communicate an official statement of such determination within 24 hours to the chief election official of each other member state. The chief election official of each member state shall treat as conclusive an official statement containing the number of popular votes in a state for each presidential slate made by the day established by federal law for making a state's final determination conclusive as to the counting of electoral votes by Congress. In event of a tie for the national popular vote winner, the presidential elector certifying official of each member state shall certify the appointment of the elector slate nominated in association with the presidential slate receiving the largest number of popular votes within that official's own state. If, for any reason, the number of presidential electors nominated in a member state in association with the national popular vote winner is less than or greater than that state's number of electoral votes, the presidential candidate on the presidential slate that has been designated as the national popular vote winner shall have the power to nominate the presidential electors for that state and that state's presidential elector certifying official shall certify the appointment of such nominees. The chief election official of each member state shall immediately release to the public all vote counts or statements of votes as they are determined or obtained. This article shall govern the appointment of presidential electors in each member state in any year in which this agreement is, on July 20, in effect in states cumulatively possessing a majority of the electoral votes.

Article IV - Other Provisions

This agreement shall take effect when states cumulatively possessing a majority of the electoral votes have enacted this agreement in substantially the same form and the enactments by such states have taken effect in each state. Any member state may withdraw from this agreement, except that a withdrawal occurring six months or less

before the end of a president's term shall not become effective until a president or vice president shall have been qualified to serve the next term. The chief executive of each member state shall promptly notify the chief executive of all other states of when this agreement has been enacted and has taken effect in that official's state, when the state has withdrawn from this agreement, and when this agreement takes effect generally. This agreement shall terminate if the electoral college is abolished. If any provision of this agreement is held invalid, the remaining provisions shall not be affected.

#### Article V - Definitions

For purposes of this agreement,

"chief executive" means the governor of a state of the United States or the mayor of the District of Columbia;

"elector slate" means a slate of candidates who have been nominated in a state for the position of presidential elector in association with a presidential slate;

"chief election official" means the state official or body that is authorized to certify the total number of popular votes for each presidential slate;

"presidential elector" means an elector for president and vice president of the United States;

"presidential elector certifying official" means the state official or body that is authorized to certify the appointment of the state's presidential electors;

"presidential slate" means a slate of two persons, the first of whom has been nominated as a candidate for president of the United States and the second of whom has been nominated as a candidate for vice president of the United States, or any legal successors to such persons, regardless of whether both names appear on the ballot presented to the voter in a particular state;

"state" means a state of the United States and the District of Columbia; and

"statewide popular election" means a general election in which votes are cast for presidential slates by individual voters and counted on a statewide basis."

Delete the title and insert:

"A bill for an act relating to elections; making policy, technical, and clarifying changes to various provisions related to election law, including provisions related to absentee voting, redistricting, ballots, registration, voting, caucuses, campaigns, the loss and restoration of voting rights, vacancies in nomination, county government structure, and election administration; providing an electronic roster pilot project and task force; establishing the Uniform Faithful Presidential Electors Act; requiring reports; appropriating money; amending Minnesota Statutes 2012, sections 5B.06; 13.851, subdivision 10; 103C.225, subdivision 3; 103C.305, subdivision 3; 201.054, subdivision 2, by adding a subdivision; 201.061, subdivision 3; 201.071, subdivision 2; 201.091, subdivision 8; 201.12, subdivision 3; 201.13, subdivision 1a; 201.14; 201.157; 201.275; 202A.14, subdivision 1; 203B.02, subdivision 1; 203B.04, subdivisions 1, 5; 203B.05, subdivision 1; 203B.06, subdivisions 1, 3; 203B.08, subdivision 3; 203B.081; 203B.121, subdivisions 1, 2, 3, 4, 5; 203B.227; 203B.28; 204B.04, by adding a subdivision; 204B.13, subdivisions 1, 2, 5, by adding subdivisions; 204B.18, subdivision 2; 204B.22, subdivisions 1, 2; 204B.28, subdivision 1; 204B.32, subdivision 1; 204B.33; 204B.35, subdivision 4; 204B.36, subdivision 1; 204B.45, subdivisions 1, 2; 204B.46; 204C.14; 204C.15, subdivision 1; 204C.19, subdivision 2; 204C.25; 204C.27; 204C.35, subdivision 1, by adding a subdivision; 204C.36, subdivision 1; 204D.08, subdivision 6; 204D.09, subdivision 2; 204D.11, subdivisions 1, 4, 5, 6; 204D.13, subdivision 3; 204D.14, subdivisions 1, 3; 204D.15, subdivision 3;

204D.16; 204D.165; 204D.19, subdivision 2, by adding a subdivision; 205.02, subdivision 2; 205.10, subdivision 3; 205.13, subdivision 1a; 205.16, subdivisions 4, 5; 205.17, subdivisions 1, 3; 205A.04, by adding a subdivision; 205A.05, subdivisions 1, 2; 205A.07, subdivisions 3, 3a, 3b; 205A.08, subdivision 1; 206.61, subdivision 4; 206.89, subdivision 2, by adding a subdivision; 206.895; 206.90, subdivision 6; 208.04, subdivisions 1, 2; 211B.045; 211B.37; 241.065, subdivision 2; 340A.416, subdivisions 2, 3; 340A.602; 375.20; 447.32, subdivisions 2, 3, 4; Laws 1963, chapter 276, section 2, subdivision 2, as amended; proposing coding for new law in Minnesota Statutes, chapters 2; 204B; 208; 244; repealing Minnesota Statutes 2012, sections 2.484; 203B.04, subdivision 6; 204B.12, subdivision 2a; 204B.13, subdivisions 4, 6; 204B.42; 204D.11, subdivisions 2, 3; 205.17, subdivisions 2, 4; 205A.08, subdivision 4."

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

The report was adopted.

Nelson from the Committee on Government Operations to which was referred:

H. F. No. 906, A bill for an act relating to natural resources; requiring the development of silica sand mining model standards and criteria; establishing a silica sand technical assistance team; requiring administrative rules; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116C.

Reported the same back with the following amendments:

Page 1, line 13, delete "shafting" and insert "by shaft"

Page 1, line 16, delete everything after "means" and insert "well-rounded, sand-sized grains of quartz (silicon dioxide), with very little impurities in terms of other minerals. Specifically, the silica sand for the purposes of this section is commercially valuable for use in the hydraulic fracturing of shale to obtain oil and natural gas."

Page 1, line 17, delete everything before "Silica"

Page 1, line 20, after "mining" insert "and processing"

Page 1, line 21, after "filtering," insert "drying," and delete "processing,"

Page 2, delete lines 12 to 23 and insert:

"(1) recommendations for setbacks or buffers for mining operation and processing, including:

(i) any residence or residential zoning district boundary;

(ii) any property line or right-of-way line of any existing or proposed street or highway;

(iii) ordinary high water levels of public waters;

(iv) bluffs;

(v) designated trout streams, Class 2A water as designated in the rules of the Pollution Control Agency, or any perennially flowing tributary of a designated trout stream or Class 2A water;

(vi) calcareous fens;

(vii) wellhead protection areas as defined in section 103I.005;

(viii) critical natural habitat acquired by the commissioner of natural resources under section 84.944; and

(ix) a natural resource easement paid wholly or in part by public funds;"

Page 3, line 4, delete "and"

Page 3, after line 4, insert:

"(13) road and bridge impacts and requirements; and"

Page 3, line 5, delete "(13)" and insert "(14)"

Page 3, line 6, delete "the Pollution Control Agency" and insert "natural resources"

Page 3, line 9, after "government" insert ", at their request,"

Page 3, line 10, delete the second "and" and insert "monitoring, or"

Page 3, line 18, delete "board" and insert "technical assistance team" and delete "Environmental" and insert "technical assistance team, at the request of the local unit of government,"

Page 3, line 19, delete "Quality Board"

Page 3, line 21, delete "board" and insert "technical assistance team"

Page 3, line 22, delete "board's" and insert "technical assistance team's"

Page 3, line 26, delete "board and"

Page 3, delete section 2 and insert:

"Sec. 2. **[116C.991] TECHNICAL ASSISTANCE, ORDINANCE, AND PERMIT LIBRARY.**

By October 1, 2013, the Environmental Quality Board, in consultation with local units of government, shall create and maintain a library on local government ordinances and local government permits that have been approved for regulation of silica sand projects for reference by local governments.

Sec. 3. **RULES.**

(a) The commissioner of the Pollution Control Agency shall adopt rules pertaining to the control of particulate emissions from silica sand mines. The commissioner shall consider and incorporate, as appropriate to the conditions of this state, Wisconsin Administrative Code NR 415, in effect as of January 1, 2012, pertaining to industrial sand mines.

(b) The commissioner of natural resources shall adopt rules pertaining to the reclamation of silica sand mines. The commissioner shall consider and incorporate, as appropriate to the conditions of this state, Wisconsin Administrative Code NR 135, in effect as of January 1, 2012, pertaining to reclamation of industrial sand mines.

(c) By January 1, 2014, the Department of Health shall adopt an air quality health advisory for silica sand."

Page 4, line 3, before "\$....." insert "(a)"

Page 4, after line 5, insert:

"(b) \$..... in fiscal year 2014 is appropriated from the general fund to the Pollution Control Agency for the development of rules under section 3, paragraph (a).

(c) \$..... in fiscal year 2014 is appropriated from the general fund to the commissioner of natural resources for the development of rules under section 3, paragraph (b)."

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 Environment, Natural Resources and Agriculture Finance.

The report was adopted.

Johnson, S., from the Committee on Labor, Workplace and Regulated Industries to which was referred:

H. F. No. 950, A bill for an act relating to collective bargaining; authorizing collective bargaining for family child care providers; proposing coding for new law in Minnesota Statutes, chapter 179A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1  
FAMILY CHILD CARE PROVIDERS REPRESENTATION ACT

Section 1. **[179A.50] REPRESENTATION OF FAMILY CHILD CARE PROVIDERS.**

Sections 179A.50 to 179A.52 shall be known as the Family Child Care Providers Representation Act.

Sec. 2. **[179A.51] DEFINITIONS.**

Subdivision 1. **Scope.** For the purposes of sections 179A.50 to 179A.52, the terms in this section have the meanings given them.

Subd. 2. **Commissioner.** "Commissioner" means the commissioner of mediation services.

Subd. 3. **Exclusive representative.** "Exclusive representative" means an employee organization that has been elected and certified under section 179A.52, thereby maintaining the right to represent family child care providers in their relations with the state.



Subd. 4. **Family child care provider.** "Family child care provider" means an individual, either licensed or unlicensed, who provides legal child care services as defined under section 245A.03, except for providers licensed under Minnesota Rules, chapter 9503, or excluded from licensure under section 245A.03, subdivision 2, paragraph (a), clause (5), and who provides subsidized child care services for a child or children currently in their care under sections 119B.011, subdivisions 20 and 20a; 119B.03; and 119B.05.

Sec. 3. **[179A.52] RIGHT TO ORGANIZE.**

Subdivision 1. **Right to organize; limitations.** Family child care providers shall have the right to form, join, and participate in the activities of employee organizations of their own choosing for the purpose of representation and meeting and negotiating with the state. Sections 179A.06, subdivisions 3 and 6, and 179A.22 apply to family child care providers except as otherwise provided in this section. Family child care providers have the rights and obligations of public employees only for the purposes of meeting and negotiating on issues specified in subdivision 7, paragraph (a), and purposes related to meeting and conferring as provided in this section. This section does not grant family child care providers status as public employees for any other purpose than the use of procedures in this chapter for the right to organize, mediate, and negotiate related to the issues specified in subdivision 7, paragraph (a), and to meet and confer as set forth in this section. This chapter applies to the relations between the state, the exclusive representative, and family child care providers only for purposes of this section. Family child care providers shall have the same rights to interest arbitration provided under section 179A.16, subdivision 2, to essential employees. Family child care providers shall not have the right to strike.

Subd. 2. **Appropriate unit.** The only appropriate unit under this section shall be a statewide unit of all family child care providers. The unit shall be treated as an appropriate unit under section 179A.10, subdivision 2.

Subd. 3. **Certification; process.** For the purposes of determining certification under section 179A.12, the commissioner shall utilize a list of family child care providers compiled by the commissioner of human services over the most recent 12-month period. The commissioner shall conduct a certification election by mail ballot pursuant to the procedures in this chapter.

Subd. 4. **Compilation of list.** The commissioner of human services shall, by July 1, 2013, and monthly thereafter, compile and maintain a list of the names and addresses of all family child care providers who have been paid for providing child care assistance services to participants within the previous 12 months. The list shall not include the name of any participant, or indicate that an individual provider is a relative of a participant or has the same address as a participant. The commissioner shall share the lists with others as needed for the state to meet its obligations under this chapter as modified and made applicable to family child care providers under this section, and to facilitate the representational processes under this section.

Subd. 5. **List access.** Beginning July 1, 2013, upon a showing made to the commissioner of the Bureau of Mediation Services by any employee organization wishing to represent the appropriate unit of family child care providers that at least 500 family child care providers support such representation, the commissioner of human services shall provide to such organization within seven days the most recent list of family child care providers compiled under subdivision 4, and subsequent monthly lists upon request for an additional three months.

Subd. 6. **Elections for exclusive representative.** After July 31, 2013, any employee organization wishing to represent the appropriate unit of family child care providers may seek exclusive representative status pursuant to section 179A.12. Representation elections for family child care providers shall be conducted by mail ballot, and such election shall be conducted upon an appropriate petition stating that at least ten percent of the unit wishes to be represented by the petitioner. The family child care providers eligible to vote in any such election shall be those family child care providers on the monthly list of family child care providers compiled under this section, most recently preceding the filing of the election petition. Except as otherwise provided, elections under this clause shall be conducted in accordance with section 179A.12.

Subd. 7. **Meet and negotiate.** (a) If the commissioner certifies an employee organization as the majority exclusive representative, the state, through the commissioner of management and budget, shall meet and negotiate in good faith with the exclusive representative of the family child care provider unit on the following issues:

(1) child care assistance reimbursement rates under chapter 119B;

(2) fringe benefits, including those paid upon termination, but not retirement contributions or benefits, and not other benefits to be paid when a person is no longer a family child care provider; and

(3) grievance procedures regarding matters in clauses (1) and (2).

(b) This obligation does not compel the state or its representatives to agree to a proposal or require the making of a concession. The commissioner of management and budget is authorized to enter into agreements with the exclusive representative on issues specified in paragraph (a).

Subd. 8. **Legislative action on agreements.** Any interest arbitration award or negotiated agreement reached between the state and the exclusive representative of the family child care provider unit under this chapter shall be submitted to the legislature to be accepted or rejected in accordance with sections 3.855 and 179A.22, subject to section 179A.20, subdivisions 2 and 5.

Subd. 9. **Meet and confer.** The state has an obligation to meet and confer under this chapter with the exclusive representative of the family child care provider unit to discuss policies and other matters relating to their working conditions.

Subd. 10. **Exemption; federal law.** In affording family child care providers the right to engage in collective action, select a representative, and jointly engage in discussions with the state under the terms of this section, the state intends that the "state action" exemption from federal antitrust laws be fully available to the state, based on the state's active supervision of family child care providers to improve the quality, accessibility, and affordability of early childhood education services in the state.

Subd. 11. **Rights.** Nothing in this section shall be construed to interfere with:

(1) parental rights to select and deselect family child care providers or the ability of family child care providers to establish the rates they charge to parents;

(2) the right or obligation of any state agency to communicate or meet with any citizen, including other family child care providers, or organization concerning family child care legislation, regulation, or policy on any topic that is not specified in subdivision 7, paragraph (a); or

(3) the rights and responsibilities of family child care providers under federal law.

Subd. 12. **Membership status and eligibility for subsidies.** Membership status in an employee organization shall not affect the eligibility of a family child care provider to receive payments under, or serve a child who receives payments under, chapter 119B.

Sec. 4. **[179A.53] NO USE OF SCHOLARSHIPS FOR DUES OR FEES.**

Early learning scholarships shall not be applied, through state withholding or otherwise, toward payment of dues or fees that are paid to exclusive representatives of family child care providers.

Sec. 5. **SEVERABILITY.**

Should any part of this act be declared invalid or unenforceable, or the enforcement or compliance with it is suspended, restrained, or barred, either by the state or by the final judgment of a court of competent jurisdiction, the remainder of this act shall remain in full force and effect.

ARTICLE 2  
INDIVIDUAL PROVIDERS OF DIRECT SUPPORT SERVICES REPRESENTATION

Section 1. **[179A.54] INDIVIDUAL PROVIDERS OF DIRECT SUPPORT SERVICES.**

Subdivision 1. **Definitions.** (a) For the purposes of this section:

(b) "Direct support services" has the meaning given to it under section 256B.0711, subdivision 1, paragraph (d).

(c) "Individual provider" has the meaning given to it under section 256B.0711, subdivision 1, paragraph (e).

(d) "Participant" has the meaning given to it under section 256B.0711, subdivision 1, paragraph (f).

(e) "Participant's representative" has the meaning given to it under section 256B.0711, subdivision 1, paragraph (g).

Subd. 2. **Rights of individual providers and participants.** Only for the purposes of meeting and negotiating on issues specified in subdivision 3, individual providers shall be considered, by virtue of this section, executive branch state employees employed by the commissioner of management and budget or the commissioner's representative. This section does not require the treatment of individual providers as public employees for any other purpose. This chapter shall apply to individual providers except as otherwise provided in this section. Notwithstanding section 179A.03, subdivision 14, paragraph (a), clause (5), this chapter shall apply to individual providers regardless of part-time or full-time employment status.

Subd. 3. **Scope of meet and negotiate obligation.** If an exclusive representative is certified pursuant to this section, the mutual rights and obligations of the state and an exclusive representative of individual providers to meet and negotiate regarding terms and conditions shall extend only to the following issues:

(1) compensation rates and payment terms and practices;

(2) fringe benefits, including those that are paid for or funded per hour of service of an individual provider, but not for state retirement payments or other benefits to be paid by the state when a person no longer intends to be an individual provider;

(3) grievance procedures regarding matters in clauses (1) and (2);

(4) access to training and educational opportunities, including training funds, for individual providers; and

(5) required orientation programs including for all newly hired individual providers.

Subd. 4. **Rights of covered program participants.** No provision of any agreement reached between the state and any exclusive representative of individual providers, nor any arbitration award, shall interfere with the rights of participants or participants' representatives to select, hire, direct, supervise, and terminate the employment of their individual providers; to manage an individual service budget regarding the amounts and types of authorized goods or services received; or to receive direct support services from individual providers not referred to them through a state registry.

Subd. 5. **Legislative action on agreements.** Any negotiated agreement or arbitration decision reached between the state and the exclusive representative of individual providers under this chapter shall be submitted to the legislature to be accepted or rejected in accordance with sections 3.855 and 179A.22, subject to section 179A.20, subdivisions 2 and 5.

Subd. 6. **Strikes prohibited.** Individual providers shall be subject to the prohibition on strikes applied to essential employees under section 179A.18.

Subd. 7. **Interest arbitration.** Individual providers shall be subject to the interest arbitration procedures applied to essential employees under section 179A.16.

Subd. 8. **Appropriate unit.** The only appropriate unit for individual providers shall be a statewide unit of all individual providers. Individual providers who are related to their participant or their participant's representative shall not for such reason be excluded from the appropriate unit.

Subd. 9. **List access.** Beginning July 1, 2013, upon a showing made to the commissioner of the Bureau of Mediation Services by any employee organization wishing to represent the appropriate unit of individual providers that at least 500 individual providers support such representation, the commissioner of human services shall provide to such organization within seven days the most recent list of individual providers compiled under section 256B.0711, subdivision 11, paragraph (g), and subsequent monthly lists upon request for an additional three months.

Subd. 10. **Representation and election.** Beginning August 1, 2013, any employee organization wishing to represent the appropriate unit of individual providers may seek exclusive representative status pursuant to section 179A.12. Representation elections for individual providers shall be conducted by mail ballot, and such election shall be conducted upon an appropriate petition stating that at least ten percent of the unit wishes to be represented by the petitioner. The individual providers eligible to vote in any such election shall be those individual providers on the monthly list of individual providers compiled under section 256B.0711, subdivision 11, paragraph (g), most recently preceding the filing of the election petition. Except as otherwise provided, elections under this section shall be conducted in accordance with section 179A.12.

Subd. 11. **Fee collection prior to agreement ratification.** Any fees otherwise required under section 179A.06, subdivision 3, shall not commence prior to the ratification of an agreement under section 179A.22. This subdivision does not limit the availability of voluntary dues check off under section 179A.06, subdivision 6.

Subd. 12. **Exemption; federal law.** In affording individual providers the right to engage in collective action, select a representative, and jointly engage in discussions with the state under the terms of this section, the state intends that the "state action" exemption from federal antitrust laws be fully available to the state, based on the state's active supervision of individual providers to improve the quality, accessibility, and affordability of direct support services in the state.

Sec. 2. **[256B.0711] QUALITY SELF-DIRECTED SERVICES WORKFORCE.**

Subdivision 1. **Definitions.** (a) For purposes of this section:

(b) "Commissioner" means the commissioner of human services unless otherwise indicated.

(c) "Covered program" means a program to provide direct support services funded in whole or in part by the state of Minnesota, including the Community First Services and Supports program; Consumer Directed Community Supports services and extended state plan personal care assistance services available under programs established pursuant to home and community-based service waivers authorized under section 1915(c) of the Social Security Act and Minnesota Statutes including, but not limited to, sections 256B.0915 and 256B.49, and under the alternative

care program, as offered pursuant to section 256B.0913, all as modified by subdivision 9; the personal care assistance choice program, as established pursuant to section 256B.0659, subdivisions 18 to 20, and modified by this section; and any similar program that may provide such services.

(d) "Direct support services" means personal care assistance services covered by medical assistance under section 256B.0625, subdivisions 19a and 19c; assistance with activities of daily living as defined in section 256B.0659, subdivision 1, paragraph (b), and instrumental activities of daily living as defined in section 256B.0659, subdivision 1, paragraph (i); and other similar, in-home, nonprofessional long-term services and supports provided to an elderly person or person with a disability to meet such person's daily living needs and ensure that such person may adequately function in his or her home and have safe access to the community.

(e) "Individual provider" means an individual selected by and working under the direction of a participant in a covered program, or a participant's representative, to provide direct support services to the participant, and does not include an individual from an employee workforce assembled, directed, and controlled by a provider agency.

(f) "Participant" means a person who receives direct support services through a covered program.

(g) "Participant's representative" means a participant's legal guardian or an individual having the authority and responsibility to act on behalf of a participant with respect to the provision of direct support services through a covered program.

**Subd. 2. Quality Self-Directed Services Workforce Council established.** There is established the Quality Self-Directed Services Workforce Council to ensure the quality and availability of individual providers to be selected by and work under the direction of participants to provide direct support services.

**Subd. 3. Membership.** The council shall have 11 members and shall be composed of the commissioner of human services or the commissioner's designee, who shall serve as chair, and the following members, who shall be appointed by the governor:

(1) six current or former recipients of direct support services;

(2) one legal guardian or legal representative of a current or former recipient of direct support services; and

(3) one member of the State Council on Disability under section 256.482, one member of the Governor's Council on Developmental Disabilities, and one member of the Minnesota Board on Aging under section 256.975.

**Subd. 4. Appointments; membership terms; compensation; removal; vacancies.** All appointments to the council and filling of vacancies shall be made as provided in section 15.0597. Membership terms, compensation, and removal of members are as provided in section 15.059.

**Subd. 5. Quorum.** A majority of the members appointed and serving shall constitute a quorum for the transaction of any business.

**Subd. 6. Initial appointments.** The governor shall make all initial appointments to the council by July 1, 2013. The governor shall designate five members whose terms will expire on the first Monday in January 2017, and five members whose terms will expire on the first Monday in January 2019.

**Subd. 7. First meeting.** The commissioner shall convene the first meeting by September 1, 2013.

Subd. 8. **Duties of council.** The council, in consultation with the commissioner, has the following ongoing advisory duties and responsibilities relating to ensuring the quality, stability, and availability of the individual provider workforce:

(1) assess the size, quality, and stability of the individual provider workforce in Minnesota and the ability of the existing workforce to meet the growing and changing needs of both elderly participants and participants with disabilities;

(2) assess and propose strategies to identify, recruit, and retain prospective individual providers to be available for employment by participants or participants' representatives;

(3) advise the commissioner regarding the development of orientation programs, training and educational opportunities, and the maintenance of one or more public registries as described in subdivision 11;

(4) advise the commissioner and other relevant state agencies in assessing existing mechanisms for preventing abuse and neglect of participants and recommending improvements to those protections;

(5) advise the commissioner in determining standards for compensation, including benefits, and other conditions of employment for individual providers sufficient to attract and maintain a qualified workforce; and

(6) otherwise advise and advocate regarding appropriate means of expanding access to quality, self-directed direct support services.

Subd. 9. **Operation of covered programs.** All covered programs shall operate consistent with this section, including by providing such services through individual providers as defined in subdivision 1, paragraph (e), notwithstanding any inconsistent provisions of section 256B.04, subdivision 16, or 256B.0659.

Subd. 10. **Use of agency workforce.** This requirement shall not restrict the state's ability to offer to those participants who choose not to self-direct a direct support worker or are unable to do so the alternative of receiving similar services from the employee workforce assembled, directed, and controlled by a provider agency.

Subd. 11. **Duties of the Department of Human Services.** (a) The commissioner shall afford to all participants within a covered program the option of employing an individual provider to provide direct support services.

(b) The commissioner shall ensure that all employment of individual providers is in conformity with this section.

(c) The commissioner shall, in consultation with the council:

(1) establish compensation rates, payment terms and practices, and any benefit terms for all individual providers;

(2) provide for required orientation programs for all newly hired individual providers regarding their employment within the covered programs through which they provide services;

(3) provide for relevant training and educational opportunities for individual providers, as well as for participants and participants' representatives who receive services from individual providers, including opportunities for individual providers to obtain certification documenting additional training and experience in areas of specialization;

(4) provide for the maintenance of one or more public registries to:

(i) provide routine, emergency, and respite referrals of qualified individual providers to participants and participants' representatives;

(ii) enable participants and participants' representatives to gain improved access to, and choice among, prospective individual providers, including by having access to information about individual providers' training, educational background, work experience, and availability for hire; and

(iii) provide for appropriate employment opportunities for individual providers and a means by which they may more easily remain available to provide services to participants within covered programs; and

(5) establish other appropriate terms and conditions of employment governing the workforce of individual providers.

(d) The commissioner shall ensure that appropriate background studies under chapter 245C are performed on all individual providers included on any registry as described in paragraph (c), clause (4).

(e) The commissioner's authority regarding issues specified in section 179A.54, subdivision 3, is subject to the state's obligations to meet and negotiate with an exclusive representative over those issues, and is subject to any agreements entered into covering issues specified in section 179A.54, subdivision 3.

(f) The commissioner shall cooperate in the implementation of this act with the commissioner of management and budget in the same manner as would be required of an appointing authority under section 179A.22 with respect to any negotiations between the executive branch of the state and the exclusive representative of individual providers, as authorized under sections 179A.22 and 179A.54, regarding issues specified in section 179A.54, subdivision 3. Any entity, including financial management entities, contracting with the state to provide support to participants or participants' representatives with regard to the employment of individual providers, shall assist and cooperate with the council and commissioner of human services in the operations of this section, including with respect to the commissioner's compiling and maintaining the list of individual providers required under paragraph (g).

(g) The commissioner shall, no later than July 1, 2013, and then monthly thereafter, compile and maintain a list of the names and addresses of all individual providers who have been paid for providing direct support services to participants within the previous six months. The list shall not include the name of any participant or indicate that an individual provider is a relative of a participant or has the same address as a participant. The commissioner shall share the lists with the Quality Self-Directed Services Workforce Council and with others as needed for the state to meet its obligations under chapter 179A as modified and made applicable to individual providers under section 179A.54, and to facilitate the representational processes under section 179A.54, subdivisions 9 and 10.

(h) The commissioner shall immediately commence all necessary steps to ensure that services offered under all covered programs are offered in conformity with this section to complete any required modifications to currently operating covered programs by September 1, 2013.

### Sec. 3. **SEVERABILITY.**

Should any part of this act be declared invalid or unenforceable, or the enforcement or compliance with it is suspended, restrained, or barred, either by the state or by the final judgment of a court of competent jurisdiction, the remainder of this act shall remain in full force and effect.

### Sec. 4. **EFFECTIVE DATE.**

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to collective bargaining; authorizing collective bargaining for family child care providers and individual providers of direct support services; creating a Quality Self-Directed Services Workforce; proposing coding for new law in Minnesota Statutes, chapters 179A; 256B."

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

The report was adopted.

Hortman from the Committee on Energy Policy to which was referred:

H. F. No. 956, A bill for an act relating to energy; cogeneration and small power production; modifying provisions governing net metered systems and aggregation of meters; prohibiting limits on cumulative generation; authorizing rulemaking; establishing a solar electricity standard; clarifying the repayment period for the energy improvements program; amending Minnesota Statutes 2012, sections 216B.02, subdivision 4; 216B.164, subdivisions 3, 4, 6, by adding subdivisions; 216C.436, subdivisions 7, 8; proposing coding for new law in Minnesota Statutes, chapter 216B; repealing Minnesota Statutes 2012, section 216B.164, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2012, section 16C.144, subdivision 2, is amended to read:

Subd. 2. **Guaranteed energy-savings agreement.** The commissioner may enter into a guaranteed energy-savings agreement with a qualified provider if:

(1) the qualified provider is selected through a competitive process in accordance with the guaranteed energy-savings program guidelines within the Department of Administration;

(2) the qualified provider agrees to submit an engineering report prior to the execution of the guaranteed energy-savings agreement. The cost of the engineering report may be considered as part of the implementation costs if the commissioner enters into a guaranteed energy-savings agreement with the provider;

(3) the term of the guaranteed energy-savings agreement shall not exceed ~~15~~ 25 years from the date of final installation;

(4) the commissioner finds that the amount it would spend on the utility cost-savings measures recommended in the engineering report will not exceed the amount to be saved in utility operation and maintenance costs over ~~15~~ 25 years from the date of implementation of utility cost-savings measures;

(5) the qualified provider provides a written guarantee that the annual utility, operation, and maintenance cost savings during the term of the guaranteed energy-savings agreement will meet or exceed the annual payments due under a lease purchase agreement. The qualified provider shall reimburse the state for any shortfall of guaranteed utility, operation, and maintenance cost savings; and

(6) the qualified provider gives a sufficient bond in accordance with section 574.26 to the commissioner for the faithful implementation and installation of the utility cost-savings measures.



Sec. 2. Minnesota Statutes 2012, section 116C.779, subdivision 3, is amended to read:

Subd. 3. **Initiative for Renewable Energy and the Environment.** (a) Notwithstanding subdivision 1, paragraph (g), beginning July 1, 2009, and each July 1 through ~~2014~~ 2014, \$5,000,000 must be allocated from the renewable development account to fund a grant to the Board of Regents of the University of Minnesota for the Initiative for Renewable Energy and the Environment for the purposes described in paragraph (b). The Initiative for Renewable Energy and the Environment must set aside at least 15 percent of the funds received annually under the grant for qualified projects conducted at a rural campus or experiment station. Any set-aside funds not awarded to a rural campus or experiment station at the end of the fiscal year revert back to the Initiative for Renewable Energy and the Environment for its exclusive use. This subdivision does not create an obligation to contribute funds to the account.

(b) Activities funded under this grant may include, but are not limited to:

(1) environmentally sound production of energy from a renewable energy source, including biomass and agricultural crops;

(2) environmentally sound production of hydrogen from biomass and any other renewable energy source for energy storage and energy utilization;

(3) development of energy conservation and efficient energy utilization technologies;

(4) energy storage technologies; and

(5) analysis of policy options to facilitate adoption of technologies that use or produce low-carbon renewable energy.

(c) For the purposes of this subdivision:

(1) "biomass" means plant and animal material, agricultural and forest residues, mixed municipal solid waste, and sludge from wastewater treatment; and

(2) "renewable energy source" means hydro, wind, solar, biomass, and geothermal energy, and microorganisms used as an energy source.

(d) Beginning January 15 of 2010, and each year thereafter, the director of the Initiative for Renewable Energy and the Environment at the University of Minnesota shall submit a report to the chair and ranking minority members of the senate and house of representatives committees with primary jurisdiction over energy finance describing the activities conducted during the previous year funded under this subdivision.

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

Sec. 3. Minnesota Statutes 2012, section 216B.02, subdivision 4, is amended to read:

Subd. 4. **Public utility.** "Public utility" means persons, corporations, or other legal entities, their lessees, trustees, and receivers, now or hereafter operating, maintaining, or controlling in this state equipment or facilities for furnishing at retail natural, manufactured, or mixed gas or electric service to or for the public or engaged in the production and retail sale thereof but does not include (1) a municipality or a cooperative electric association, organized under the provisions of chapter 308A, producing or furnishing natural, manufactured, or mixed gas or electric service; (2) a retail seller of compressed natural gas used as a vehicular fuel which purchases the gas from a public utility; or (3) a retail seller of electricity used to recharge a battery that powers an electric vehicle, as defined in section 169.011, subdivision 26a, and that is not otherwise a public utility under this chapter. Except as otherwise provided, the provisions of this chapter shall not be applicable to any sale of natural, manufactured, or mixed gas or

electricity by a public utility to another public utility for resale. In addition, the provisions of this chapter shall not apply to a public utility whose total natural gas business consists of supplying natural, manufactured, or mixed gas to not more than 650 customers within a city pursuant to a franchise granted by the city, provided a resolution of the city council requesting exemption from regulation is filed with the commission. The city council may rescind the resolution requesting exemption at any time, and, upon the filing of the rescinding resolution with the commission, the provisions of this chapter shall apply to the public utility. No person shall be deemed to be a public utility if it furnishes its services only to tenants or cooperative or condominium owners in buildings owned, leased, or operated by such person. No person shall be deemed to be a public utility if it furnishes service to occupants of a manufactured home or trailer park owned, leased, or operated by such person. No person shall be deemed to be a public utility if it produces or furnishes service to less than 25 persons. No person shall be deemed to be a public utility solely as a result of the person furnishing consumers with electricity or heat generated from wind or solar generating equipment located on the consumer's property, provided the equipment is owned or operated by an entity other than the consumer.

Sec. 4. Minnesota Statutes 2012, section 216B.03, is amended to read:

**216B.03 REASONABLE RATE.**

Every rate made, demanded, or received by any public utility, or by any two or more public utilities jointly, shall be just and reasonable. Rates shall not be unreasonably preferential, unreasonably prejudicial, or discriminatory, but shall be sufficient, equitable, and consistent in application to a class of consumers. To the maximum reasonable extent, the commission shall set rates to encourage energy conservation and renewable energy use and to further the goals of sections 216B.164, 216B.241, ~~and~~ 216C.05, and 216C.412. Any doubt as to reasonableness should be resolved in favor of the consumer. For rate-making purposes a public utility may treat two or more municipalities served by it as a single class wherever the populations are comparable in size or the conditions of service are similar.

Sec. 5. Minnesota Statutes 2012, section 216B.16, is amended by adding a subdivision to read:

Subd. 6e. **Solar energy production incentive.** (a) Except as otherwise provided in this subdivision, all assessments authorized by section 216C.412 incurred in connection with the solar energy production incentive shall be recognized and included by the commission in the determination of just and reasonable rates as if the expenses were directly made or incurred by the utility in furnishing utility service.

(b) The commission shall not include expenses for the solar energy production incentive in determining just and reasonable electric rates for retail electric service provided to customers receiving the low-income electric rate discount authorized by subdivision 14.

Sec. 6. Minnesota Statutes 2012, section 216B.16, subdivision 7b, is amended to read:

**Subd. 7b. Transmission cost adjustment.** (a) Notwithstanding any other provision of this chapter, the commission may approve a tariff mechanism for the automatic annual adjustment of charges for the Minnesota jurisdictional costs of (i) new transmission facilities that have been separately filed and reviewed and approved by the commission under section 216B.243 or are certified as a priority project or deemed to be a priority transmission project under section 216B.2425; ~~and~~ (ii) new transmission facilities proposed to be constructed by a utility, or an affiliate operating an integrated system with the utility, approved by the regulatory commission of the state in which the new transmission facilities are to be constructed to the extent approval is required by the laws of that state, and determined by the Midwest Independent Transmission System Operator to benefit the utility or integrated utility transmission system; (iii) charges incurred by a utility that accrue from other transmission owners' regionally planned transmission projects that have been determined by the Midwest Independent Transmission System Operator to benefit the utility or integrated system, as provided for under a federally approved tariff.

(b) Upon filing by a public utility or utilities providing transmission service, the commission may approve, reject, or modify, after notice and comment, a tariff that:

(1) allows the utility to recover on a timely basis the costs net of revenues of facilities approved under section 216B.243 or certified or deemed to be certified under section 216B.2425 or exempt from the requirements of section 216B.243;

(2) allows the charges incurred by a utility that accrue from other transmission owners' regionally planned transmission projects that have been determined by the Midwest Independent Transmission System Operator to benefit the utility or integrated system, as provided for under a federally approved tariff. These charges must be reduced or offset by revenues received by the utility and by amounts the utility charges to other regional transmission owners, to the extent those revenues and charges have not been otherwise offset;

(3) allows the utility to recover on a timely basis the costs net of revenues of facilities approved by the regulatory commission of the state in which the new transmission facilities are to be constructed and determined by the Midwest Independent Transmission System Operator to benefit the utility or integrated transmission system;

(4) allows a return on investment at the level approved in the utility's last general rate case, unless a different return is found to be consistent with the public interest;

~~(4)~~ (5) provides a current return on construction work in progress, provided that recovery from Minnesota retail customers for the allowance for funds used during construction is not sought through any other mechanism;

~~(5)~~ (6) allows for recovery of other expenses if shown to promote a least-cost project option or is otherwise in the public interest;

~~(6)~~ (7) allocates project costs appropriately between wholesale and retail customers;

~~(7)~~ (8) provides a mechanism for recovery above cost, if necessary to improve the overall economics of the project or projects or is otherwise in the public interest; and

~~(8)~~ (9) terminates recovery once costs have been fully recovered or have otherwise been reflected in the utility's general rates.

(c) A public utility may file annual rate adjustments to be applied to customer bills paid under the tariff approved in paragraph (b). In its filing, the public utility shall provide:

(1) a description of and context for the facilities included for recovery;

(2) a schedule for implementation of applicable projects;

(3) the utility's costs for these projects;

(4) a description of the utility's efforts to ensure the lowest costs to ratepayers for the project; and

(5) calculations to establish that the rate adjustment is consistent with the terms of the tariff established in paragraph (b).

(d) Upon receiving a filing for a rate adjustment pursuant to the tariff established in paragraph (b), the commission shall approve the annual rate adjustments provided that, after notice and comment, the costs included for recovery through the tariff were or are expected to be prudently incurred and achieve transmission system improvements at the lowest feasible and prudent cost to ratepayers.

Sec. 7. Minnesota Statutes 2012, section 216B.1611, is amended to read:

**216B.1611 INTERCONNECTION OF ON-SITE DISTRIBUTED GENERATION.**

Subdivision 1. **Purpose.** The purpose of this section is to:

(1) establish the terms and conditions that govern the interconnection and parallel operation of on-site distributed generation resources interconnected with a public utility's distribution system;

(2) provide cost savings and reliability benefits to customers;

(3) establish technical requirements that will promote the safe and reliable parallel operation of on-site distributed generation resources interconnected with a public utility's distribution system;

(4) enhance both the reliability of electric service and economic efficiency in the production and consumption of electricity; and

(5) promote the use of distributed resources in order to provide electric system benefits during periods of capacity constraints.

Subd. 2. **Distributed generation; generic proceeding.** (a) The commission shall initiate a proceeding within 30 days of July 1, ~~2004~~ 2013, to establish, by order, generic standards for utility tariffs for the interconnection and parallel operation of distributed generation projects, including a qualified cogeneration project under section 216B.164, that are:

(1) fueled by natural gas or a renewable fuel, or another similarly clean fuel or combination of fuels ~~of;~~

(2) no more than ten megawatts of interconnected capacity; and

(3) interconnected with a public utility's distribution system where system voltages are less than 100 kilovolts.

(b) At a minimum, ~~these~~ the tariff standards established in paragraph (a) must:

(1) to the extent possible, be consistent with industry and other federal and state operational and safety standards;

(2) provide for the low-cost, safe, and standardized interconnection of facilities;

(3) take into account differing system requirements and hardware, as well as encourage maximum penetration of distributed generation while considering the overall demand load requirements of individual utilities;

(4) allow for just and reasonable terms and conditions, consistent with the cost and operating characteristics of the various technologies, so that a utility can reasonably be assured of the reliable, safe, and efficient operation of the interconnected equipment while expediting the evaluation of interconnection applications; ~~and~~

(5) establish (i) a standard interconnection agreement that sets forth the contractual conditions under which a company and a customer agree that one or more facilities may be interconnected with the company's utility system, and (ii) a standard application for interconnection and parallel operation with the utility system;

(6) establish a procedure whereby, when the size of a distributed generation resource causes power to flow intermittently into transmission facilities operated by the Midwest Independent Systems Operator, a local load-serving utility may coordinate with the Midwest Independent Systems Operator to conduct the interconnection transmission system analysis and transmission system usage reservations, as needed;

(7) include payments for ancillary services and other system benefits provided by a distributed generation resource;

(8) reflect the savings that accrue to a public utility's distribution system resulting from avoided demand charges and avoided transmission and transmission infrastructure costs; and

(9) recognize the role played by the regional wholesale electricity market and demand side and storage resources as a source of standby power for a distributed energy resource.

~~(b)~~ (c) The commission may shall develop financial incentives based on a public utility's performance in encouraging residential and small business customers to participate in on-site generation interconnected with a public utility's distribution system. A public utility's performance shall be evaluated on:

(1) steps taken by the public utility to reduce barriers to the development of distributed generation resources, including but not limited to financial, technical, and interconnection barriers; and

(2) the extent to which a public utility has effectively and thoroughly analyzed available locations on its distribution system for siting future distributed generation resources and provided that information to developers.

Subd. 3. **Distributed generation tariff.** Within 90 days of the issuance of an order under subdivision 2:

(1) each public utility providing electric service at retail shall file a distributed generation tariff consistent with that order, for commission approval or approval with modification; and

(2) each municipal utility and cooperative electric association shall adopt a distributed generation tariff that addresses the issues included in the commission's order.

Subd. 4. **Reporting requirements.** (a) Each electric utility shall maintain records concerning applications received for interconnection and parallel operation of distributed generation. The records must include the date each application is received, documents generated in the course of processing each application, correspondence regarding each application, and the final disposition of each application.

(b) Every electric utility shall file with the commissioner a distributed generation interconnection report for the preceding calendar year that identifies:

(1) each distributed generation facility interconnected with the utility's distribution system. ~~The report must list the;~~

(2) new distributed generation facilities interconnected with the system since the previous year's report, any distributed generation facilities no longer interconnected with the utility's system since the previous report, the capacity of each facility, and the feeder or other point on the company's utility system where the facility is connected. ~~The annual report must also identify;~~

(3) all applications for interconnection received during the previous one-year period, and the disposition of the applications; and

(4) the most optimal locations on its distribution system for the interconnection of future distributed generation resources, considering the technical feasibility of accommodating a project of up to ten megawatts capacity, the system benefits that accrue for power quality improvements from distributed generation resources and from reducing local system demand, and the avoidance of future expenditures to expand generation or transmission or distribution capacity.

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

Sec. 8. Minnesota Statutes 2012, section 216B.1635, is amended to read:

**216B.1635 RECOVERY OF GAS UTILITY INFRASTRUCTURE COSTS.**

Subdivision 1. **Definitions.** (a) "Gas utility" means a public utility as defined in section 216B.02, subdivision 4, that furnishes natural gas service to retail customers.

(b) "Gas utility infrastructure costs" or "GUIC" means costs incurred in gas utility projects that:

(1) do not serve to increase revenues by directly connecting the infrastructure replacement to new customers;

(2) are in service ~~but were not included in the gas utility's rate base in its most recent general rate case or planned to be in service during the period covered by the report submitted in accordance with subdivision 2;~~ and

(3) ~~replace or modify existing infrastructure if the replacement or modification does not constitute a betterment, unless the betterment is required by a political subdivision, as evidenced by specific documentation from the government entity requiring the replacement or modification of infrastructure~~ do not constitute a betterment, unless the betterment is based on requirements by a political subdivision or federal or state regulation, as evidenced by specific documentation or regulation from the government entity requiring the replacement or modification of infrastructure.

(c) "Gas utility projects" means ~~relocation and:~~

(1) replacement of natural gas facilities located in the public right-of-way required by the construction or improvement of a highway, road, street, public building, or other public work by or on behalf of the United States, the state of Minnesota, or a political subdivision; and

(2) replacement or modification of existing natural gas facilities, including surveys, assessments, reassessment, and other work necessary to determine the need for replacement or modification of existing infrastructure that is required by federal or state regulation.

Subd. 2. **Gas infrastructure filing.** ~~(a) The commission may approve a gas utility's petition for a rate schedule. A public utility submitting a petition to recover GUIC gas infrastructure costs under this section. A gas utility may must submit to the commission, the department, the Office of Pipeline Safety, and interested parties a gas infrastructure project plan report and a petition the commission to recover a rate of return, income taxes on the rate of return, incremental property taxes, plus incremental depreciation expense associated with GUIC for rate recovery. The report and petition must be made at least 150 days in advance of implementation of the rate schedule, provided that the rate schedule will not be implemented until the petition is approved by the commission pursuant to subdivision 7.~~

~~(b) The filing is subject to the following:~~

~~(1) A gas utility may submit a filing under this section no more than once per year.~~

~~(2) A gas utility must file sufficient information to satisfy the commission regarding the proposed GUIC or be subject to denial by the commission. The information includes, but is not limited to:~~

~~(i) the government entity ordering the gas utility project and the purpose for which the project is undertaken;~~

~~(ii) the location, description, and costs associated with the project;~~

~~(iii) a description of the costs, and salvage value, if any, associated with the existing infrastructure replaced or modified as a result of the project;~~

~~(iv) the proposed rate design and an explanation of why the proposed rate design is in the public interest;~~

~~(v) the magnitude and timing of any known future gas utility projects that the utility may seek to recover under this section;~~

~~(vi) the magnitude of GUIC in relation to the gas utility's base revenue as approved by the commission in the gas utility's most recent general rate case, exclusive of gas purchase costs and transportation charges;~~

~~(vii) the magnitude of GUIC in relation to the gas utility's capital expenditures since its most recent general rate case;~~

~~(viii) the amount of time since the utility last filed a general rate case and the utility's reasons for seeking recovery outside of a general rate case; and~~

~~(ix) documentation supporting the calculation of the GUIC.~~

Subd. 3. **Commission authority; rules.** The commission may issue orders and adopt rules necessary to implement and administer this section.

Subd. 4. **Gas infrastructure project plan report.** The gas infrastructure project plan report required to be filed under subdivision 2 shall include all pertinent information and supporting data on each proposed project, including but not limited to project description and scope, estimated project costs, and project in-service date.

Subd. 5. **Gas infrastructure project plan report review.** The Office of Pipeline Safety shall evaluate the gas utility's report filed under subdivision 4 and, within 60 days of the filing, provide the commission with:

(1) verification that a gas utility project associated with federal or state regulations complies with subdivision 1, paragraph (c), clause (2); and

(2) an assessment of the appropriateness of the gas utility's proposed plans.

Subd. 6. **Cost recovery petition for utility's facilities.** Notwithstanding any other provision of this chapter, the commission may approve a rate schedule for the automatic annual adjustment of charges for gas utility infrastructure costs under this section, including a rate of return, income taxes on the rate of return, incremental property taxes, incremental depreciation expense, and incremental operation and maintenance costs. A gas utility's petition for approval of a rate schedule to recover gas utility infrastructure costs outside of a general rate case under section 216B.16 is subject to the following:

(1) a gas utility may submit a filing under this section no more than once per year; and

(2) a gas utility must file sufficient information to satisfy the commission regarding the proposed GUIC. The information includes, but is not limited to:

(i) the information required to be included in the gas infrastructure project plan report under subdivision 4;

(ii) the government entity ordering the gas utility project and the purpose for which the project is undertaken, or the federal or state regulations causing the project;

(iii) a description of the estimated costs and salvage value, if any, associated with the existing infrastructure replaced or modified as a result of the project;

(iv) a comparison of the utility's estimated costs included in the gas infrastructure project plan and the actual costs incurred, including a description of the utility's efforts to ensure the costs of the facilities are reasonable and were or will be prudently incurred;

(v) calculations to establish that the rate adjustment is consistent with the terms of the rate schedule, including the proposed rate design and an explanation of why the proposed rate design is in the public interest;

(vi) the magnitude and timing of any known future gas utility projects that the utility may seek to recover under this section;

(vii) the magnitude of GUIC in relation to the gas utility's base revenue as approved by the commission in the gas utility's most recent general rate case, exclusive of gas purchase costs and transportation charges;

(viii) the magnitude of GUIC in relation to the gas utility's capital expenditures since its most recent general rate case; and

(ix) the amount of time since the utility last filed a general rate case and the utility's reasons for seeking recovery outside of a general rate case.

Subd. 7. **Commission action.** Upon receiving a gas utility report and petition for cost recovery under subdivision 2 and assessment and verification under subdivision 5, the commission may approve the annual GUIC rate adjustments provided that, after notice and comment, the costs included for recovery through the rate schedule were or are expected to be prudently incurred and achieve gas facility improvements at the lowest reasonable and prudent cost to ratepayers.

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

Sec. 9. Minnesota Statutes 2012, section 216B.164, is amended by adding a subdivision to read:

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

(b) "Aggregated meter" means a meter located on the premises of a customer's owned or leased property that is contiguous with property containing the customer's designated meter.

(c) "Capacity" means the number of megawatts alternating current (AC) at the point of interconnection between a solar photovoltaic device and a utility's electric system.

(d) "Cogeneration" means a combined process whereby electrical and useful thermal energy are produced simultaneously.

(e) "Contiguous property" means property owned or leased by the customer sharing a common border, without regard to interruptions in contiguity caused by easements, public thoroughfares, transportation rights-of-way, or utility rights-of-way.

(f) "Customer" means the person who is named on the utility electric bill for the premises.



(g) "Designated meter" means a meter that is physically attached to the customer's facility that the customer-generator designates as the first meter to which net metered credits are to be applied as the primary meter for billing purposes when the customer is serviced by more than one meter.

(h) "Distributed generation" means a facility that:

(1) has a capacity of ten megawatts or less;

(2) is interconnected with a utility's distribution system, over which the commission has jurisdiction; and

(3) generates electricity from natural gas, renewable fuel, or a similarly clean fuel, and may include waste heat, cogeneration, or fuel cell technology.

(i) "High-efficiency distributed generation" means a distributed energy facility that has a minimum efficiency of 40 percent, as calculated under section 272.0211, subdivision 1.

(j) "Net metered facility" means an electric generation facility with the purpose of offsetting energy use through the use of renewable energy or high-efficiency distributed generation sources.

(k) "Renewable energy" has the meaning given in section 216B.2411, subdivision 2.

(l) "Standby charge" means a charge imposed by an electric utility upon a distributed generation facility for the recovery of fixed costs necessary to make electricity service available to the distributed generation facility.

Sec. 10. Minnesota Statutes 2012, section 216B.164, subdivision 3, is amended to read:

Subd. 3. **Purchases; small facilities.** (a) For a qualifying facility having less than ~~40-kilowatt~~ 105-kilowatt capacity, the customer shall be billed for the net energy supplied by the utility according to the applicable rate schedule for sales to that class of customer. In the case of net input into the utility system by a qualifying facility having less than ~~40-kilowatt~~ 105-kilowatt capacity, compensation to the customer shall be at a per kilowatt-hour rate determined under paragraph (b) or (c).

(b) In setting rates, the commission shall consider the fixed distribution costs to the utility not otherwise accounted for in the basic monthly charge and shall ensure that the costs charged to the qualifying facility are not discriminatory in relation to the costs charged to other customers of the utility. The commission shall set the rates for net input into the utility system based on avoided costs as defined in the Code of Federal Regulations, title 18, section 292.101, paragraph (b)(6), the factors listed in Code of Federal Regulations, title 18, section 292.304, and all other relevant factors.

(c) Notwithstanding any provision in this chapter to the contrary, a qualifying facility having less than ~~40-kilowatt~~ 105-kilowatt capacity may elect that the compensation for net input by the qualifying facility into the utility system shall be at the average retail utility energy rate plus the premium charged by the utility to customers of that customer class who elect to purchase renewable electricity under section 216B.169. If the utility does not offer a renewable rate under section 216B.169, the rate that a qualifying facility may elect to receive under this paragraph is the average rate charged under section 216B.169 to the applicable customer class by the three utilities that offer such a rate whose service areas are located closest to that of the utility that does not offer a rate under section 216B.169. "Average retail utility energy rate" is defined as the average of the retail energy rates, exclusive of special rates based on income, age, or energy conservation, according to the applicable rate schedule of the utility for sales to that class of customer.

(d) If the qualifying facility is interconnected with a nongenerating utility which has a ~~sole source~~ contract with a municipal power agency or a generation and transmission utility, the nongenerating utility may elect to treat its purchase of any net input under this subdivision as being made on behalf of its supplier and shall be reimbursed by its supplier for any additional costs incurred in making the purchase. Qualifying facilities having less than ~~40-kilowatt~~ 105-kilowatt capacity may, at the customer's option, elect to be governed by the provisions of subdivision 4.

(e) A utility may elect to take possession of any renewable energy credits attached to electricity purchased under this section.

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

Sec. 11. Minnesota Statutes 2012, section 216B.164, subdivision 4, is amended to read:

Subd. 4. **Purchases; wheeling; costs.** (a) Except as otherwise provided in paragraph (c), this subdivision shall apply to all qualifying facilities having ~~40-kilowatt~~ 1,000-kilowatt capacity or more as well as qualifying facilities as defined in subdivision 3 and net metered facilities under subdivision 4a which elect to be governed by its provisions.

(b) The utility to which the qualifying facility is interconnected shall purchase all energy and capacity made available by the qualifying facility. The qualifying facility shall be paid the utility's full avoided capacity and energy costs as negotiated by the parties, as set by the commission, or as determined through competitive bidding approved by the commission. The full avoided capacity and energy costs to be paid a qualifying facility that generates electric power by means of a renewable energy source are the utility's least cost renewable energy facility or the bid of a competing supplier of a least cost renewable energy facility, whichever is lower, unless the commission's resource plan order, under section 216B.2422, subdivision 2, provides that the use of a renewable resource to meet the identified capacity need is not in the public interest.

(c) For all qualifying facilities having 30-kilowatt capacity or more, the utility shall, at the qualifying facility's or the utility's request, provide wheeling or exchange agreements wherever practicable to sell the qualifying facility's output to any other Minnesota utility having generation expansion anticipated or planned for the ensuing ten years. The commission shall establish the methods and procedures to insure that except for reasonable wheeling charges and line losses, the qualifying facility receives the full avoided energy and capacity costs of the utility ultimately receiving the output.

(d) The commission shall set rates for electricity generated by renewable energy.

Sec. 12. Minnesota Statutes 2012, section 216B.164, is amended by adding a subdivision to read:

Subd. 4a. **Net metered facility.** Notwithstanding any provision of this chapter to the contrary, a customer with a net metered facility having less than 105-kilowatt capacity may elect to be compensated for the customer's net input into the utility system in the form of a kilowatt-hour credit on the customer's energy bill carried forward and applied to subsequent energy bills. Any net input supplied by the customer into the utility system that exceeds energy supplied to the customer by the utility during a 12-month period must be compensated at the utility's avoided cost rate under subdivision 3, paragraph (b), or subdivision 4, paragraph (b), as applicable. The customer may choose the month in which the annual billing period begins.

Sec. 13. Minnesota Statutes 2012, section 216B.164, is amended by adding a subdivision to read:

Subd. 4b. **Aggregation of meters.** (a) For the purpose of measuring electricity under subdivisions 3 and 4a, a utility must aggregate for billing purposes a customer's designated meter with one or more aggregated meters if a customer requests that it do so. Any aggregation of meters must be governed under this section.

(b) A customer must give at least 60 days' notice to the utility prior to a request that additional meters be included in meter aggregation. The specific meters must be identified at the time of the request. In the event that more than one meter is identified, the customer must designate the rank order for the aggregated meters to which the net metered credits are to be applied. At least 60 days prior to the beginning of the next annual billing period, a customer may amend the rank order of the aggregated meters, subject to the provisions of this subdivision.

(c) The aggregation of meters applies only to charges that use kilowatt-hours as the billing determinant. All other charges applicable to each meter account must be billed to the customer.

(d) The utility must first apply the kilowatt-hour credit to the charges for the designated meter and then to the charges for the aggregated meters in the rank order specified by the customer. If the net metered facility supplies more electricity to the utility than the energy usage recorded by the customer's designated and aggregated meters during a monthly billing period, the utility must apply credits to the customer's next monthly bill for the excess kilowatt-hours.

(e) With the commission's prior approval, a utility may charge the customer requesting to aggregate meters a reasonable fee to cover the administrative costs incurred as a result of implementing the provisions of this subdivision, pursuant to a tariff approved by the commission for a public utility or by a governing body for a municipal electric utility or electric cooperative.

Sec. 14. Minnesota Statutes 2012, section 216B.164, is amended by adding a subdivision to read:

Subd. 4c. **Limiting cumulative generation prohibited.** The commission and any other governing body regulating public utilities, municipal electric utilities, or electric cooperatives are prohibited from limiting the cumulative generation of net metered facilities under subdivision 4a and qualifying facilities under subdivision 3 to less than five percent of a utility's or cooperative's average annual retail electricity sales as measured over the previous three calendar years. After the cumulative limit of five percent has been reached, a public utility, municipal electric utility, or electric cooperative's obligation to offer net metering to additional customers may be limited by the commission or governing body if it determines doing so is in the public interest. The commission may limit additional net metering obligations under this subdivision only after providing notice and opportunity for public comment. The governing body of a municipal electric utility or electric cooperative may limit additional net metering obligations under this subdivision only after providing the affected municipal electric utility or electric cooperative's customers with notice and opportunity to comment. In determining whether to limit additional net metering obligations under this subdivision, the commission or governing body shall consider:

- (1) the environmental and other public policy benefits of net metered facilities;
- (2) the impact of net metered facilities on electricity rates for customers without net metered systems;
- (3) the effects of net metering on the reliability of the electric system;
- (4) technical advances or technical concerns; and
- (5) other statutory obligations imposed on the commission or on a utility.

The commission or governing body may limit additional net metering obligations under clauses (2) to (4) only if it determines that additional net metering obligations would cause significant rate impact, require significant measures to address reliability, or raise significant technical issues.

Sec. 15. Minnesota Statutes 2012, section 216B.164, subdivision 5, is amended to read:

Subd. 5. **Nondiscrimination; dispute; resolution.** (a) A utility may not impose unduly burdensome conditions or stipulations on, and may not discriminate against, a qualifying facility seeking to interconnect with and sell electric power to the utility.

(b) In the event of disputes between an electric utility and a qualifying facility, either party may request a determination of the issue by the commission. In any such determination, the burden of proof shall be on the utility. The commission in its order resolving each such dispute shall require payments to the prevailing party of the prevailing party's costs, disbursements, and reasonable attorneys' fees, except that the qualifying facility will be required to pay the costs, disbursements, and attorneys' fees of the utility only if the commission finds that the claims of the qualifying facility in the dispute have been made in bad faith, or are a sham, or are frivolous.

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

Sec. 16. Minnesota Statutes 2012, section 216B.164, subdivision 6, is amended to read:

Subd. 6. **Rules and uniform contract.** (a) The commission shall promulgate rules to implement the provisions of this section. The commission shall also establish a uniform statewide form of contract for use between utilities and a qualifying facility having less than ~~40-kilowatt~~ 105-kilowatt capacity.

(b) The commission shall require the qualifying facility to provide the utility with reasonable access to the premises and equipment of the qualifying facility if the particular configuration of the qualifying facility precludes disconnection or testing of the qualifying facility from the utility side of the interconnection with the utility remaining responsible for its personnel.

(c) The uniform statewide form of contract shall be applied to all new and existing interconnections established between a utility and a qualifying facility having less than ~~40-kilowatt~~ 105-kilowatt capacity, except that existing contracts may remain in force until written notice of election that the uniform statewide contract form applies is given by either party to the other, with the notice being of the shortest time period permitted under the existing contract for termination of the existing contract by either party, but not less than ten nor longer than 30 days.

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

Sec. 17. Minnesota Statutes 2012, section 216B.164, is amended by adding a subdivision to read:

Subd. 6a. **Generation exceeding capacity.** Electrical generation that exceeds a qualifying facility's nameplate capacity:

(1) does not nullify the contract between a qualifying facility and a utility purchasing electricity under this section; and

(2) must be purchased at the utility's avoided cost rate, as defined by the commission under subdivision 3 or 4, as applicable.

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

Sec. 18. Minnesota Statutes 2012, section 216B.164, is amended by adding a subdivision to read:

Subd. 10. **Energy for public buildings.** (a) All the provisions of this section that apply to a qualifying facility with a capacity of less than one megawatt shall apply to a wind energy conversion system with a capacity of up to 3.5 megawatts or an energy storage device storing energy generated by a wind energy conversion system that provides energy to a public building.

(b) For the purposes of this subdivision:

(1) "energy storage device" means a device capable of storing up to 3.5 megawatts of previously generated energy and releasing that energy for use at a later time; and

(2) "public building" means a building or facility financed wholly or in part with public funds, including facilities financed by the Public Facilities Authority.

Sec. 19. **[216B.1641] VALUE OF SOLAR RATE.**

Subdivision 1. **Definition.** For the purposes of this section, "solar photovoltaic device" has the meaning given in section 216C.06, subdivision 16, and must meet the requirements of section 216C.25.

Subd. 2. **Applicability.** (a) This section shall apply:

(1) beginning January 1, 2014, to the two public utilities with the highest Minnesota retail electricity sales and the generation and transmission cooperative with the highest Minnesota wholesale electricity sales; and

(2) beginning July 1, 2015, to all Minnesota electric utilities, including cooperative electric associations and municipal electric utilities.

(b) Notwithstanding section 216B.164, an owner of a solar photovoltaic device may, with respect to the purchase price credited by a utility to an owner of a solar photovoltaic device, elect to be governed under this section or section 216B.164. All other provisions of section 216B.164, except those in subdivision 3, subdivision 4, paragraphs (a) to (c), and subdivision 4a, shall apply to an owner of a solar photovoltaic device electing to be governed under this section.

(c) This section does not apply to a utility that owns a solar photovoltaic device.

(d) An owner of a solar photovoltaic device governed under the net metering provisions of section 216B.164 prior to the effective date of the commission order issued under subdivision 10 and who elects to be governed under section 216B.1641 with respect to the purchase price credited by a utility must provide written notice of that election to the utility. The utility shall begin crediting the value of solar rate most recently approved by the commission to the owner of the solar photovoltaic device on the first day of the first month that begins at least 30 days after receipt of the notice.

(e) This section does not apply to a solar photovoltaic device whose capacity exceeds two megawatts.

Subd. 3. **Standby charge prohibited.** An electric utility may not apply a standby charge to a solar photovoltaic device governed under this section.

Subd. 4. **Standard contract.** The commission shall establish a statewide uniform form of contract that must be used by a purchasing utility and an owner of a solar photovoltaic device who elects to be governed under this section. The term of a contract entered into under this section must be no less than 20 years. The agreement must provide for credit of the value of solar rate as approved by the commission under this section, and must require the transfer of all renewable energy credits associated with the energy generated by the solar photovoltaic device to the purchasing utility.

Subd. 5. **Credits.** The utility interconnected to a solar photovoltaic device whose owner elects to be governed under this section shall purchase, throughout the term of the contract, all energy and capacity made available by the owner of the solar photovoltaic device. All credits must be made at the value of solar rate approved by the commission under this section.

Subd. 6. **Value of solar rate; calculation.** (a) By February 1, 2014, the Department of Commerce shall calculate the value of solar rate for each utility subject to the provisions of this section. The value of solar rate is expressed on a per kilowatt-hour basis and is composed of the following components:

(1) line loss savings equal to the value of the average amount of electricity lost through transmission and distribution when electricity is generated by the utility's nonsolar photovoltaic generators;

(2) transmission and distribution capacity savings equal to the value of delaying the need for capital investment in a utility's transmission and distribution system by contracting to purchase energy from solar photovoltaic devices;

(3) energy savings equal to the reduction in a utility's wholesale energy purchases and costs, based on the time of day the energy would have been generated, realized as a result of energy purchases from solar photovoltaic devices;

(4) generation capacity savings equal to the value of the benefit of the capacity added to the utility's system by solar photovoltaic devices;

(5) fuel price hedge value equal to the value of eliminating price uncertainty associated with the utility's purchases of fuel for electricity generation; and

(6) environmental benefits equal to the premium retail customers are willing to pay to consume energy produced from renewable resources.

(b) The department may, based on known and measurable evidence of the economic development benefits of solar electricity generation, including the net increase in local employment and taxes generated from the manufacture, assembly, installation, operation, and maintenance of solar photovoltaic devices, or other factors, incorporate additional amounts into the value of solar rate.

(c) The value of solar rate is equal to the present value of the future revenue streams of the values components calculated in paragraphs (a) and (b) over the useful life of a solar photovoltaic device.

Subd. 7. **Value of solar rate; information.** The Department of Commerce shall solicit information from each utility subject to the provisions of this section to assist it in calculating the value of solar rate. A utility shall provide the information requested by the department in a timely fashion.

Subd. 8. **Value of solar rate; process.** The Department of Commerce shall solicit comments and recommendations from utilities, ratepayers, and other interested parties regarding the calculation of the value of solar rate.

Subd. 9. **Value of solar rate; adjustments.** By January 1, 2015, and every January 1 thereafter through 2049, the commissioner shall make a determination as to whether the value of solar rate needs to be adjusted in order to reflect current conditions in energy markets or changes in the value of the components calculated in subdivision 6. In making that determination, the commissioner shall solicit comments and recommendations from interested parties in the same manner as required under subdivision 8. After considering the comments and recommendations, the commissioner may adjust the value of solar rate.

Subd. 10. **Value of solar rate; billing.** Notwithstanding section 216B.164, an owner of a solar photovoltaic device who elects to receive the value of solar rate for electricity generated by the solar photovoltaic device that is sold to a utility must be:

(1) charged by the utility the applicable rate schedule for sales to that class of customer for all electricity consumed by the customer;

(2) credited the value of solar rate by the utility for all electricity generated by the solar photovoltaic device;

(3) provided by the utility with a monthly bill that contains, in addition to the amounts in clauses (1) and (2), the net amount owed to the utility or net credit realized by the owner for that month and on a year-to-date basis. In the event that the customer has a positive balance after the 12-month cycle ending on the last day of February, that balance will be eliminated and the credit cycle will restart the following billing period beginning March 1; and

(4) provided by the utility a meter that allows for the separate calculation of the amount of electricity consumed and generated at the property.

**Subd. 11. Commission review; approval.** (a) The commissioner shall submit the value of solar rate calculated under subdivision 6 and the information, comments, and recommendations received under subdivisions 7 and 8 to the commission for its review and approval. The commission shall review the rate and the information, comments, and recommendations and may, at its discretion, solicit additional comments and recommendations from utilities, ratepayers, and other interested parties regarding the calculation of the value of solar rate.

(b) By January 1, 2014, and each January 1 thereafter through 2049, the commission shall approve or modify the value of solar rate submitted to it by the commissioner. The commission shall, by order, direct all electric utilities subject to this section to begin crediting the value of solar rate most recently approved by the commission to: (1) owners of solar photovoltaic devices who sign a standard contract under this section on or after the first day of the first month following the effective date of the order; and (2) owners of solar photovoltaic devices who were governed under the net metering provisions of section 216B.164 prior to the effective date of the order and who elect to be governed under section 216B.1641 with respect to the purchase price credited by a utility by complying with the provisions of section 216B.1641, subdivision 2, paragraph (d).

(c) In no case shall the commission approve a value of solar rate under this section that is lower than the applicable retail rate of the subject utility.

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

Sec. 20. **[216B.1651] DEFINITIONS.**

Subdivision 1. **Scope.** For the purposes of sections 216B.1651 to 216B.1654, the following definitions have the meanings given.

Subd. 2. **Community solar generating facility.** "Community solar generating facility" means a facility:

(1) that generates electricity by means of a solar photovoltaic device that has a capacity of less than two megawatts direct current nameplate;

(2) that is interconnected with a utility's distribution system under the jurisdiction of the commission;

(3) that is located in the electric service area of the utility with which it is interconnected;

(4) whose subscribers purchase, under long-term contract with the community solar generating facility, the right to consume the electricity generated from a specified portion of the facility's generating capacity;

(5) that is not owned by a utility; and

(6) that has at least two subscribers.

Subd. 3. **Facility manager.** "Facility manager" means an entity that manages a community solar generating facility for the benefit of subscribers and may, in addition, develop, construct, own, or operate the community solar generating facility. A facility manager may not be a utility, but may be:

(1) a person whose sole purpose is to beneficially own and operate a community solar generating facility;

(2) a Minnesota nonprofit corporation organized under chapter 317A;

(3) a Minnesota cooperative association organized under chapter 308A or 308B;

(4) a Minnesota political subdivision or local government including, but not limited to, a county, statutory or home rule charter city, town, school district, public or private higher education institution, or any other local or regional governmental organization such as a board, commission, or association; or

(5) a tribal council.

Subd. 4. **Renewable energy credit.** "Renewable energy credit" has the meaning given in section 216B.1691, subdivision 1, paragraph (d).

Subd. 5. **Solar photovoltaic device.** "Solar photovoltaic device" has the meaning given in section 216C.06, subdivision 16.

Subd. 6. **Subscriber.** "Subscriber" means a retail customer of a utility who owns one or more subscriptions of a community solar generating facility interconnected with that utility. A facility manager may be a subscriber.

Subd. 7. **Subscription.** "Subscription" means a contract between a subscriber and a community solar generating facility that has a term of no less than 20 years and that provides to the subscriber a portion of the generation of the community solar generating facility and a corresponding proportion of the electricity generated by the community solar generating facility.

Subd. 8. **Utility.** "Utility" means a utility subject to section 216B.164.

## Sec. 21. **[216B.1652] SUBSCRIPTIONS.**

Subdivision 1. **Presale of subscriptions.** A community solar generating facility may not commence construction of the facility until contracts have been executed for subscriptions, excluding the subscription of the facility manager, that represent 80 percent of the proposed nameplate capacity of the community solar generating facility.

Subd. 2. **Size.** (a) A subscription must be a portion of the community solar generating facility's nameplate capacity sized so as to produce no more than 120 percent of the annual average amount of electricity consumed over the previous three years at the site where the subscriber's meter is located. If the site is newly constructed, the subscription must be sized based on 120 percent of the average annual amount of electricity consumed by a facility of similar size and type in the utility's service area, as determined by the facility manager.

(b) A subscriber may not own one or more subscriptions whose total capacity exceeds the maximum capacity allowed for a qualifying facility subject to section 216B.164, subdivision 3.

(c) A facility manager may not own subscriptions whose total capacity exceeds the maximum subscription size allowed under paragraph (a) plus ten percent of the remaining available nameplate capacity in the community solar generating facility, subject to the limit in paragraph (b).



(d) The maximum subscription size for a subscriber consuming electricity generated from an eligible energy technology, as defined in section 216B.1691, subdivision 1, at any time during the term of the subscriber's subscription, is the maximum subscription size allowed under paragraph (a) minus the nameplate capacity of the eligible energy technology device providing electricity to the subscriber, subject to the limit in paragraph (b).

Subd. 3. **Certification.** Prior to the sale of a subscription, a facility manager must provide certification to the subscriber signed by the facility manager under penalty of perjury:

(1) identifying the rate of insolation at the community solar generating facility;

(2) certifying that the solar photovoltaic devices employed by the community solar generating facility to generate electricity have an electrical energy degradation rate of no more than 0.5 percent annually; and

(3) certifying that the community solar generating facility is in full compliance with all applicable federal and state utility, securities, and tax laws.

Subd. 4. **On-site subscriber.** A subscriber who owns the property on which a community solar generating facility is located has no more rights with respect to subscription size or price than any other subscriber.

Subd. 5. **Subscription prices.** The price for a subscription to a community solar generating facility is not subject to regulation by the commission and is negotiated between the prospective subscriber and the facility manager.

Subd. 6. **Subscription transfer.** A subscriber that terminates the contract between the subscriber and the community solar generating facility must transfer the subscription to a person eligible to be a subscriber or to the facility manager at a price negotiated by both parties.

Subd. 7. **New subscribers.** Within 30 days of the execution of a contract between the community solar generating facility and a new subscriber, the facility manager shall submit the following information to the utility serving the community solar generating facility:

(1) the new subscriber's name, address, number of meters, and utility customer account; and

(2) the share of the community solar generating facility's nameplate capacity owned by the new subscriber.

Subd. 8. **Meter change.** A subscriber that moves to a different property served by the community solar generating facility from the property at which the subscriber resided at the time the contract between the subscriber and the community solar generating facility was executed, or that changes the number of meters attached to the subscriber's account, must notify the facility manager within 30 days of the change.

Subd. 9. **Renewable energy credits.** (a) Notwithstanding any other law, a subscriber owns the renewable energy credits associated with the electricity allocated to the subscriber's subscription. A utility or facility manager may purchase renewable energy credits under a contract with a subscriber.

(b) Renewable energy credits may not be assigned to a utility as a condition of entering into a contract or an interconnection agreement with a community solar generating facility.

Subd. 10. **Disputes.** The dispute resolution provisions available under section 216B.164 shall be used to resolve disputes between a facility manager and the utility serving the community solar generating facility.

Sec. 22. **[216B.1653] DISPOSITION OF ELECTRICITY GENERATED.**

Subdivision 1. **Allocation.** (a) The total amount of electricity available for allocation to all subscribers of a community solar generating facility shall be determined by a production meter installed by the utility.

(b) The total amount of electricity available to a subscriber shall be the total amount of electricity available for allocation to all subscribers of a community solar generating facility prorated by a subscriber's subscription size in relation to the nameplate capacity of the community solar generating facility.

(c) A subscriber may not resell electricity governed by the subscriber's contract with a community solar generating facility.

(d) All electricity generated by a community solar generating facility that is not allocated to or consumed by subscribers must be sold to the utility interconnected with the community solar generating facility.

Subd. 2. **Utility purchases.** The utility to which the community solar generating facility is interconnected shall purchase all electricity generated by the community solar generating facility that is not consumed by subscribers. The price paid to the community solar generating facility by the utility is governed by section 216B.164 or any law that governs the price a utility must pay to purchase electricity from a solar photovoltaic device.

Subd. 3. **Interconnection.** The commission shall establish uniform fees for the interconnection of a community solar generating facility with a utility.

Subd. 4. **Nonutility status.** Notwithstanding section 216B.02, a community solar generating facility is not a public utility.

Sec. 23. **[216B.1654] BILLING.**

Subdivision 1. **Billing procedure.** A subscriber to a community solar generating facility must be:

(1) charged by the utility interconnected with the community solar generating facility the utility's applicable rate schedule for sales to that class of customer for all electricity consumed by the subscriber;

(2) paid by the utility the maximum rate allowable under section 216B.164, or any other law that may govern the price a utility must pay to purchase electricity from a solar photovoltaic device, for a portion of all electricity the utility purchases from the community solar generating facility that is equal to the ratio of the subscriber's subscription to the nameplate capacity of the community solar generating facility;

(3) provided by the utility with a monthly bill that contains, in addition to the amounts in clauses (1) and (2), the net amount owed to the utility or net credit realized by the owner for that month and on a year-to-date basis; and

(4) provided by the utility with a meter that allows for the separate calculation of the amount of electricity consumed and generated at the property.

Subd. 2. **Billing system.** The Department of Commerce shall, by January 1, 2014, establish a uniform administrative system to credit the utility accounts of subscribers to a community solar generating facility. In determining the uniform administrative system, the commission shall solicit comments and recommendations from utilities, ratepayers, and other interested parties, and shall review commercially available administrative systems and administrative systems used in jurisdictions where entities similar to community solar generating facilities are operating.

Subd. 3. **Commission proceeding; rate adjustment.** By September 1, 2014, the commission shall initiate a proceeding to examine whether the rate paid by a utility to purchase energy from a community solar generating facility under section 216B.1653, subdivision 2, should be adjusted to reflect the actual fixed costs incurred by a utility to provide service to a community solar generating facility.

Sec. 24. Minnesota Statutes 2012, section 216B.1691, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) Unless otherwise specified in law, "eligible energy technology" means an energy technology that generates electricity from the following renewable energy sources:

(1) solar;

(2) wind;

(3) hydroelectric with a capacity of less than 100 megawatts;

(4) hydrogen, provided that after January 1, 2010, the hydrogen must be generated from the resources listed in this paragraph; or

(5) biomass, which includes, without limitation, landfill gas; an anaerobic digester system; the predominantly organic components of wastewater effluent, sludge, or related by-products from publicly owned treatment works, but not including incineration of wastewater sludge to produce electricity; and an energy recovery facility used to capture the heat value of mixed municipal solid waste or refuse-derived fuel from mixed municipal solid waste as a primary fuel.

(b) "Electric utility" means a public utility providing electric service, a generation and transmission cooperative electric association, a municipal power agency, or a power district.

(c) "Total retail electric sales" means the kilowatt-hours of electricity sold in a year by an electric utility to retail customers of the electric utility or to a distribution utility for distribution to the retail customers of the distribution utility. "Total retail electric sales" does not include the sale of hydroelectricity supplied by a federal power marketing administration or other federal agency, regardless of whether the sales are directly to a distribution utility or are made to a generation and transmission utility and pooled for further allocation to a distribution utility.

(d) "Renewable energy credit" means a certificate of proof, issued through the accounting system approved by the commission under subdivision 4, attesting that one unit of electricity was generated and delivered by an eligible energy technology, and including all renewable and environmental attributes associated with the production of electricity from the eligible energy technology.

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

Sec. 25. Minnesota Statutes 2012, section 216B.1691, subdivision 2a, is amended to read:

Subd. 2a. **Eligible energy technology standard.** (a) Except as provided in paragraph (b), each electric utility shall generate or procure sufficient electricity generated by an eligible energy technology to provide its retail customers in Minnesota, or the retail customers of a distribution utility to which the electric utility provides wholesale electric service, so that at least the following standard percentages of the electric utility's total retail electric sales to retail customers in Minnesota are generated by eligible energy technologies by the end of the year indicated:

(1)	2012	12 percent
(2)	2016	17 percent
(3)	2020	20 percent
(4)	2025	25 percent.

(b) An electric utility that owned a nuclear generating facility as of January 1, 2007, must meet the requirements of this paragraph rather than paragraph (a). An electric utility subject to this paragraph must generate or procure sufficient electricity generated by an eligible energy technology to provide its retail customers in Minnesota or the retail customer of a distribution utility to which the electric utility provides wholesale electric service so that at least the following percentages of the electric utility's total retail electric sales to retail customers in Minnesota are generated by eligible energy technologies by the end of the year indicated:

(1)	2010	15 percent
(2)	2012	18 percent
(3)	2016	25 percent
(4)	2020	30 percent.

Of the 30 percent in 2020, at least 25 percent must be generated by solar energy or wind energy conversion systems and the remaining five percent by other eligible energy technology. Of the 25 percent that must be generated by wind or solar, no more than one percent may be solar generated and the remaining 24 percent or greater must be wind generated.

(c) By 2030, each public utility shall generate or procure sufficient electricity generated by an eligible energy technology to provide at least 40 percent of its total retail electric sales to retail customers in Minnesota.

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

Sec. 26. Minnesota Statutes 2012, section 216B.1691, subdivision 2e, is amended to read:

Subd. 2e. **Rate impact of standard compliance; report.** Each electric utility must submit to the commission and the legislative committees with primary jurisdiction over energy policy a report containing an estimation of the rate impact of activities of the electric utility necessary to comply with this section. In consultation with the Department of Commerce, the commission shall determine a uniform reporting system to ensure that individual utility reports are consistent and comparable, and shall, by order, require each electric utility subject to this section to use that reporting system. The rate impact estimate must be for wholesale rates and, if the electric utility makes retail sales, the estimate shall also be for the impact on the electric utility's retail rates. Those activities include, without limitation, energy purchases, generation facility acquisition and construction, and transmission improvements. An initial report must be submitted within 150 days of May 28, 2011. After the initial report, a report must be updated and submitted as part of each integrated resource plan or plan modification filed by the electric utility under section 216B.2422. The reporting obligation of an electric utility under this subdivision expires December 31, 2025, for an electric utility subject to subdivision 2a, paragraph (a), and December 31, 2020, for an electric utility subject to subdivision 2a, paragraph (b).

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

Sec. 27. Minnesota Statutes 2012, section 216B.1691, is amended by adding a subdivision to read:

Subd. 2f. **Solar energy standard.** (a) In addition to the requirements of subdivision 2a, each electric utility shall generate or procure sufficient electricity generated by solar energy to serve its retail customers in Minnesota or the retail customers of a distribution utility to which the electric utility provides wholesale electric service, so that at least the following standard percentages of the electric utility's total retail electric sales to retail customers in Minnesota are generated by solar energy by the end of the year indicated:

<u>(1)</u>	<u>2016</u>	<u>0.5 percent</u>
<u>(2)</u>	<u>2020</u>	<u>2.0 percent</u>
<u>(3)</u>	<u>2025</u>	<u>4.0 percent</u>

(b) The solar energy standard established in this subdivision is subject to all the provisions of this section governing a utility's standard obligation under subdivision 2a.

(c) It is an energy goal of the state of Minnesota that by 2030, ten percent of the retail electric sales in Minnesota be generated by solar energy.

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

Sec. 28. Minnesota Statutes 2012, section 216B.1692, subdivision 1, is amended to read:

Subdivision 1. **Qualifying projects.** (a) Projects that may be approved for the emissions reduction-rate rider allowed in this section must:

(1) be installed on existing large electric generating power plants, as defined in section 216B.2421, subdivision 2, clause (1), that are located in the state and that are currently not subject to emissions limitations for new power plants under the federal Clean Air Act, United States Code, title 42, section 7401 et seq.;

(2) not increase the capacity of the existing electric generating power plant more than ten percent or more than 100 megawatts, whichever is greater; and

(3) result in the existing plant either:

(i) complying with applicable new source review standards under the federal Clean Air Act; or

(ii) emitting air contaminants at levels substantially lower than allowed for new facilities by the applicable new source performance standards under the federal Clean Air Act; or

(iii) reducing emissions from current levels at a unit to the lowest cost-effective level when, due to the age or condition of the generating unit, the public utility demonstrates that it would not be cost-effective to reduce emissions to the levels in item (i) or (ii).

(b) Notwithstanding paragraph (a), a project may be approved for the emission reduction rate rider allowed in this section if the project is to be installed on existing large electric generating power plants, as defined in section 216B.2421, subdivision 2, clause (1), that are located outside the state and are needed to comply with state or federal air quality standards, but only if the project has received an advance determination of prudence from the commission under section 216B.1695.

Sec. 29. Minnesota Statutes 2012, section 216B.1692, is amended by adding a subdivision to read:

Subd. 1a. **Exemption.** Subdivisions 2, 4, and 5, paragraph (c), clause (1), do not apply to projects qualifying under subdivision 1, paragraph (b).

Sec. 30. Minnesota Statutes 2012, section 216B.1692, subdivision 8, is amended to read:

Subd. 8. **Sunset.** This section is effective until December 31, ~~2015~~ 2020, and applies to plans, projects, and riders approved before that date and modifications made to them after that date.

Sec. 31. Minnesota Statutes 2012, section 216B.1695, subdivision 5, is amended to read:

Subd. 5. **Cost recovery.** The utility may begin recovery of costs that have been incurred by the utility in connection with implementation of the project in the next rate case following an advance determination of prudence or in a rider approved under section 216B.1692. The commission shall review the costs incurred by the utility for the project. The utility must show that the project costs are reasonable and necessary, and demonstrate its efforts to ensure the lowest reasonable project costs. Notwithstanding the commission's prior determination of prudence, it may accept, modify, or reject any of the project costs. The commission may determine whether to require an allowance for funds used during construction offset.

Sec. 32. Minnesota Statutes 2012, section 216B.1695, is amended by adding a subdivision to read:

Subd. 5a. **Rate of return.** The return on investment in the rider shall be at the level approved by the commission in the public utility's last general rate case, unless the commission determines that a different rate of return is in the public interest.

Sec. 33. Minnesota Statutes 2012, section 216B.23, subdivision 1a, is amended to read:

Subd. 1a. **Authority to issue refund.** (a) On determining that a public utility has charged a rate in violation of this chapter, a commission rule, or a commission order, the commission, after conducting a proceeding, may require the public utility to refund to its customers, in a manner approved by the commission, any revenues the commission finds were collected as a result of the unlawful conduct. Any refund authorized by this section is permitted in addition to any remedies authorized by section 216B.16 or any other law governing rates. Exercising authority under this section does not preclude the commission from pursuing penalties under sections 216B.57 to 216B.61 for the same conduct.

(b) This section must not be construed as allowing:

(1) retroactive ratemaking;

(2) refunds based on claims that prior or current approved rates have been unjust, unreasonable, unreasonably preferential, discriminatory, insufficient, inequitable, or inconsistent in application to a class of customers; or

(3) refunds based on claims that approved rates have not encouraged energy conservation or renewable energy use, or have not furthered the goals of section 216B.164, 216B.241, ~~or 216C.05,~~ or 216C.412.

(c) A refund under this subdivision does not apply to revenues collected more than six years before the date of the notice of the commission proceeding required under this subdivision.

Sec. 34. Minnesota Statutes 2012, section 216B.241, subdivision 1e, is amended to read:

Subd. 1e. **Applied research and development grants.** (a) The commissioner may, by order, approve and make grants for applied research and development projects of general applicability that identify new technologies or strategies to maximize energy savings, improve the effectiveness of energy conservation programs, or document the carbon dioxide reductions from energy conservation programs. When approving projects, the commissioner shall consider proposals and comments from utilities and other interested parties. The commissioner may assess up to \$3,600,000 annually for the purposes of this subdivision. The assessments must be deposited in the state treasury and credited to the energy and conservation account created under subdivision 2a. An assessment made under this subdivision is not subject to the cap on assessments provided by section 216B.62, or any other law.

(b) The commissioner, as part of the assessment authorized under paragraph (a), shall annually assess and grant up to \$500,000 for the purpose of subdivision 9.

(c) The commissioner, as part of the assessment authorized under paragraph (a), shall annually assess \$500,000 for a grant to the partnership created by section 216C.385, subdivision 2. The grant must be used to exercise the powers and perform the duties specified in section 216C.385, subdivision 3.

(d) By February 15 annually, the commissioner shall report to the chairs and ranking minority members of the committees of the legislature with primary jurisdiction over energy policy and energy finance on the assessments made under this subdivision for the previous calendar year and the use of the assessment. The report must briefly describe the activities supported by the assessment and the parties that engaged in those activities.

Sec. 35. Minnesota Statutes 2012, section 216B.241, subdivision 5c, is amended to read:

Subd. 5c. **Large solar electric generating plant.** (a) For the purpose of this subdivision:

(1) "project" means a solar electric generation project consisting of arrays of solar photovoltaic cells with a capacity of up to two megawatts located on the site of a closed landfill in Olmsted County owned by the Minnesota Pollution Control Agency; and

(2) "cooperative electric association" means a generation and transmission cooperative electric association that has a member distribution cooperative association to which it provides wholesale electric service in whose service territory a project is located.

(b) A cooperative electric association may elect to count all of its purchases of electric energy from a project toward only one of the following:

(1) its energy-savings goal under subdivision 1c; or

(2) its ~~energy objective or~~ solar energy standard under section 216B.1691.

(c) A cooperative electric association may include in its conservation plan purchases of electric energy from a project. The cost-effectiveness of project purchases may be determined by a different standard than for other energy conservation improvements under this section if the commissioner determines that doing so is in the public interest in order to encourage solar energy. The kilowatt hours of solar energy purchased by a cooperative electric association from a project may count for up to 33 percent of its one percent savings goal under subdivision 1c or up to 22 percent of its 1.5 percent savings goal under that subdivision. Expenditures made by a cooperative association for the purchase of energy from a project may not be used to meet the revenue expenditure requirements of subdivisions 1a and 1b.

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

Sec. 36. Minnesota Statutes 2012, section 216B.2411, subdivision 3, is amended to read:

Subd. 3. **Other provisions.** (a) Electricity generated by a facility constructed with funds provided under this section and using an eligible renewable energy source may be counted toward the renewable energy objectives in section 216B.1691, subject to the provisions of that section, except as provided in paragraph (c).

(b) Two or more entities may pool resources under this section to provide assistance jointly to proposed eligible renewable energy projects. The entities shall negotiate and agree among themselves for allocation of benefits associated with a project, such as the ability to count energy generated by a project toward a utility's renewable energy objectives under section 216B.1691, except as provided in paragraph (c). The entities shall provide a summary of the allocation of benefits to the commissioner. A utility may spend funds under this section for projects in Minnesota that are outside the service territory of the utility.

(c) Electricity generated by a solar photovoltaic device constructed with funds provided under this section may be counted toward a utility's solar energy standard under section 216B.1691.

Sec. 37. Minnesota Statutes 2012, section 216B.40, is amended to read:

**216B.40 EXCLUSIVE SERVICE RIGHT; SERVICE EXTENSION.**

Except as provided in sections 216B.42 and 216B.421, each electric utility shall have the exclusive right to provide electric service by electric line at retail to each and every present and future customer in its assigned service area and no electric utility shall render or extend electric service at retail within the assigned service area of another electric utility unless the electric utility consents thereto in writing; provided that any electric utility may extend its facilities through the assigned service area of another electric utility if the extension is necessary to facilitate the electric utility connecting its facilities or customers within its own assigned service area.

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

Sec. 38. Minnesota Statutes 2012, section 216B.62, subdivision 7, is amended to read:

Subd. 7. **Assessing all utilities.** The department shall assess public utilities, cooperative electric associations, and municipal utilities for the costs of activities under chapter 216C. The department shall not assess for costs of grants, loans, or other aids or for costs that can be recovered through other assessment authority, except as specifically authorized in statute or law. Each public utility, cooperative, and municipal utility shall be assessed in the proportion that its gross operating revenue for the sale of gas and electric service within the state for the last calendar year bears to the total of those revenues for all public utilities, cooperatives, and municipalities.

Sec. 39. **[216C.411] SOLAR ENERGY PRODUCTION INCENTIVE ACCOUNT.**

Subdivision 1. **Definitions.** For the purposes of this section, the terms defined in this subdivision have the meanings given them.

(a) "Commission" means the Public Utilities Commission.

(b) "Gross annual retail electricity sales" means annual electric sales to all retail customers in a public utility's Minnesota service territory.

(c) "Public utility" has the same meaning as provided in section 216B.02, subdivision 4.

Subd. 2. **Account established; account management.** A solar energy production incentive account is established as a separate account in the special revenue fund in the state treasury. The commissioner shall credit to the account the amounts assessed and collected under this section and appropriations and transfers to the account. Earnings, such as interest, dividends, and any other earnings arising from account assets, must be credited to the account. Funds remaining in the account at the end of a fiscal year are not canceled to the general fund but remain in the account. The commissioner shall manage the account.

Subd. 3. **Purpose.** The purpose of the account is to pay the solar energy production incentive to owners of qualified solar photovoltaic devices, including related administrative costs, under section 216C.412.

Subd. 4. **Assessment.** Beginning September 1, 2014, and each September 1 thereafter through September 1, 2049, the department shall assess, under section 216B.62, subdivision 7, each utility an amount, not to exceed 1.33 percent of the utility's gross annual retail electricity sales within the state during the preceding calendar year, as



required to carry out the purpose of section 216C.412. Such assessments are not subject to the cap on assessments provided by section 216B.62, or any other law. The assessment shall be deposited in the account established in subdivision 2.

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

Sec. 40. **[216C.412] SOLAR ENERGY PRODUCTION INCENTIVE.**

**Subdivision 1. Incentive payment; appropriation.** (a) Incentive payments may be made under this section only to an owner of a solar photovoltaic device who has:

(1) submitted to the commissioner, on a form prescribed by the commissioner, an application to receive the incentive; and

(2) received from the commissioner in writing a determination that the solar photovoltaic device qualifies for the incentive.

(b) There is annually appropriated from the solar energy production incentive account established under section 216C.411 to the commissioner of commerce sums sufficient to make the payments required under this section.

(c) A utility that owns a solar photovoltaic device is not eligible to receive incentive payments under this section.

(d) A solar photovoltaic device whose capacity exceeds two megawatts is ineligible to receive incentive payments under this section.

**Subd. 2. Eligibility window; payment duration.** (a) Payments may be made under this section only for electricity generated from a solar photovoltaic device that first begins generating electricity after January 1, 2014, through December 31, 2049.

(b) Payment of the incentive begins and runs consecutively from the date the solar photovoltaic device begins generating electricity.

(c) The owner of a solar photovoltaic device may receive payments under this section for a period of 20 years. No payment may be made under this section for electricity generated after December 31, 2049.

**Subd. 3. Amount of payment.** (a) An incentive payment is based on the number of kilowatt hours of electricity generated. The per-kilowatt-hour amount of the payment for each category of qualified solar photovoltaic device listed below is equal to the applicable reference price specified in this subdivision minus:

(1) the value of solar rate approved by the commissioner under section 216B.1641, for owners of solar photovoltaic devices that have elected to have the utility's purchase price for electricity governed by that section; or

(2) the rate a utility pays an owner of a solar photovoltaic device for excess electricity generation under section 216B.164, for owners of solar photovoltaic devices that have elected to have the utility's purchase price for electricity governed by that section.

<u>Nameplate Capacity</u>	<u>Reference Price</u>
<u>Residential</u>	<u>20.4 cents per kilowatt-hour</u>
<u>Nonresidential: Under 25 kilowatts</u>	<u>18.1 cents per kilowatt-hour</u>
<u>Rooftop, 25 kilowatts to 2 megawatts</u>	<u>15.9 cents per kilowatt-hour</u>
<u>Ground-mounted, 25 kilowatts to 2 megawatts</u>	<u>13.6 cents per kilowatt-hour</u>

(b) By January 1, 2015, and every January 1 thereafter through 2049, the commissioner shall make a determination as to whether the reference price needs to be adjusted in order to achieve the solar energy standard established in section 216B.1691, subdivision 2f, at the lowest level of incentive payments. In making the determination, the commissioner shall solicit comments and recommendations from utilities, ratepayers, and other interested parties regarding the calculation of the reference price. After considering the comments and recommendations, the commissioner may adjust the reference price.

(c) For the purposes of this subdivision, "reference price" means the lowest per-kilowatt price for electricity generated by a qualified solar photovoltaic system the commissioner determines is sufficient to provide an economic incentive that will result in the development of aggregate capacity in this state to meet the solar energy standard established in section 216B.1691, subdivision 2f.

Subd. 4. **Additional payment; Made in Minnesota.** (a) The commissioner of commerce shall determine an additional incentive amount to be paid to owners of solar photovoltaic devices that are "Made in Minnesota."

(b) For the purposes of this subdivision:

(1) "Made in Minnesota" means the manufacture in this state of solar photovoltaic modules:

(i) at a manufacturing facility located in Minnesota that is registered and authorized to manufacture and apply the UL 1703 certification mark to solar photovoltaic modules by Underwriters Laboratory (UL), CSA International, Intertek, or an equivalent UL-approved independent certification agency;

(ii) that bear UL 1703 certification marks from UL, CSA International, Intertek, or an equivalent UL-approved independent certification agency, which marks must be physically applied to the modules at a manufacturing facility described in item (i), and that meet either of the following conditions:

(A) that are manufactured in Minnesota via manufacturing processes that must include tabbing, stringing, and lamination; or

(B) that are manufactured in Minnesota by interconnecting low-voltage direct current photovoltaic elements that produce the final useful photovoltaic output of the modules.

A solar photovoltaic module that is manufactured by attaching microinverters, direct current optimizers, or other power electronics to a laminate or solar photovoltaic module that has received UL 1703 certification marks outside Minnesota from UL, CSA International, Intertek, or an equivalent UL-approved independent certification agency is not "Made in Minnesota" under this subdivision; and

(2) "solar photovoltaic module" has the meaning given in section 116C.7791, subdivision 1.

Subd. 5. **Appropriation.** An amount sufficient to pay the solar energy production incentive under this section is annually appropriated from the account established under section 216C.411 to the commissioner of commerce for the purposes of this section.

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

Sec. 41. Minnesota Statutes 2012, section 216C.436, subdivision 7, is amended to read:

Subd. 7. **Repayment.** An implementing entity that finances an energy improvement under this section must:

(1) secure payment with a lien against the ~~benefited~~ qualifying real property; and

(2) collect repayments as a special assessment as provided for in section 429.101 or by charter, provided that special assessments may be made payable in up to 20 equal annual installments.

If the implementing entity is an authority, the local government that authorized the authority to act as implementing entity shall impose and collect special assessments necessary to pay debt service on bonds issued by the implementing entity under subdivision 8, and shall transfer all collections of the assessments upon receipt to the authority.

Sec. 42. Minnesota Statutes 2012, section 216C.436, subdivision 8, is amended to read:

Subd. 8. **Bond issuance; repayment.** (a) An implementing entity may issue revenue bonds as provided in chapter 475 for the purposes of this section, provided the revenue bond must not be payable more than 20 years from the date of issuance.

(b) The bonds must be payable as to both principal and interest solely from the revenues from the assessments established in subdivision 7.

(c) No holder of bonds issued under this subdivision may compel any exercise of the taxing power of the implementing entity that issued the bonds to pay principal or interest on the bonds, and if the implementing entity is an authority, no holder of the bonds may compel any exercise of the taxing power of the local government. Bonds issued under this subdivision are not a debt or obligation of the issuer or any local government that issued them, nor is the payment of the bonds enforceable out of any money other than the revenue pledged to the payment of the bonds.

Sec. 43. Laws 2005, chapter 97, article 10, section 3, is amended to read:

Sec. 3. **SUNSET.**

Sections 1 and 2 shall expire on June 30, ~~2015~~ 2023.

Sec. 44. **STUDY OF POTENTIAL FOR SOLAR ENERGY INSTALLATIONS ON PUBLIC BUILDINGS.**

(a) The commissioner of commerce shall contract with an independent consultant selected through a request for proposal process to produce a report analyzing the potential for electricity generation resulting from the installation of solar photovoltaic devices on and adjacent to public buildings in this state. The study must:

(1) determine, for buildings identified under the process initiated in Laws 2001, chapter 212, article 1, section 3, commonly referred to as the B3 program, the amount of space available for the installation of solar photovoltaic devices and the maximum solar electricity generation potential; and

(2) utilize existing data on energy efficiency potential developed under the B3 program and determine how investments in energy efficiency for these buildings could be combined with solar photovoltaic systems to enhance a building's overall energy efficiency. The analysis must include a schedule for installing solar photovoltaic systems on public buildings at a rate of four percent of available space per year and must prioritize installations that result in the largest benefits with the shortest payback periods.

(b) By January 1, 2014, the commissioner of commerce shall submit a copy of the report to the chairs and ranking minority members of the legislative committees with primary jurisdiction over energy policy and state government finance.

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

Sec. 45. **TRANSMISSION FOR FUTURE RENEWABLE ENERGY STANDARD.**

The commission shall order all Minnesota electric utilities, as defined in Minnesota Statutes, section 216B.1691, subdivision 1, paragraph (b), to study and develop plans for the transmission network enhancements necessary to support increasing the renewable energy standard established in Minnesota Statutes, section 216B.1691, subdivision 2a, to 40 percent by 2030, while maintaining system reliability.

The Minnesota electric utilities must complete the study work under the direction of the commissioner of commerce. Prior to the start of the study, the commissioner shall appoint a technical review committee consisting of up to 15 individuals with experience and expertise in electric transmission system engineering, electric power systems operations, and renewable energy generation technology to review the study's proposed methods and assumptions, ongoing work, and preliminary results.

As part of the planning process, the Minnesota electric utilities must incorporate and build upon the analyses that have previously been done or that are in progress including but not limited to the 2006 Minnesota Wind Integration Study and ongoing work to address geographically dispersed development plans, the 2007 Minnesota Transmission for Renewable Energy Standard Study, the 2008 and 2009 Statewide Studies of Dispersed Renewable Generation, the 2009 Minnesota RES Update, Corridor, and Capacity Validation Studies, the 2010 Regional Generation Outlet Study, the 2011 Multi Value Project Portfolio Study, and recent and ongoing Midwest Independent System Operator transmission expansion planning work. The utilities shall collaborate with the Midwest Independent System Operator to optimize and integrate, to the extent possible, Minnesota's transmission plans with other regional considerations and to encourage the Midwest Independent System Operator to incorporate Minnesota's planning work into its transmission expansion future planning.

The study must be completed and submitted to the Minnesota Public Utilities Commission by December 1, 2013. The report shall include a description of the analyses that have been conducted and the results, including:

(1) a conceptual plan for transmission necessary for generation interconnection and delivery and for access to regional geographic diversity and regional supply and demand side flexibility; and

(2) identification and development of potential solutions to any critical issues encountered to support increasing the renewable energy standard to 40 percent by 2030 while maintaining system reliability, as well as potential impacts and barriers of increasing the renewable energy standard to 45 percent and 50 percent.

Sec. 46. **SOLAR INTERCONNECTION STUDY.**

Each public utility, cooperative association, and municipal utility selling electricity shall, by November 1, 2013, provide to the commissioner of commerce an assessment of the capacity available on its electric distribution system for interconnecting solar photovoltaic devices installed on or adjacent to nonresidential buildings in the utility's service area. For each such potential interconnection point, the utility must calculate the maximum capacity of solar photovoltaic devices that could be installed on or adjacent to nearby nonresidential buildings, the amount of available capacity that could be installed without upgrading the utility's distribution system, and the cost of the upgrade necessary to accommodate the installation of the maximum capacity and lesser amounts. The assessment must be in map format, must be updated annually, and must be made available to the public.

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

Sec. 47. **VALUE OF ON-SITE ENERGY STORAGE STUDY.**

(a) The commissioner of commerce shall contract with an independent consultant selected through a request for proposal process to produce a report analyzing the potential costs and benefits of installing utility-managed, grid-connected energy storage devices in residential and commercial buildings in this state. The study must:

(1) estimate the potential value of on-site energy storage devices as a load-management tool to reduce costs for individual customers and for the utility, including but not limited to reductions in energy, particularly peaking, costs, and capacity costs;

(2) examine the interaction of energy storage devices with on-site solar photovoltaic devices; and

(3) analyze existing barriers to the installation of on-site energy storage devices by utilities, and examine strategies and design potential economic incentives to overcome those barriers.

(b) The commissioner of commerce shall assess an amount necessary under Minnesota Statutes, section 216B.241, subdivision 1e, for the purpose of completing the study described in this section.

By January 1, 2014, the commissioner of commerce shall submit the study to the chairs and ranking minority members of the legislative committees with jurisdiction over energy policy and finance.

Sec. 48. **VALUE OF SOLAR THERMAL STUDY.**

(a) The commissioner of commerce shall contract with an independent consultant selected through a request for proposal process to produce a report analyzing the potential costs and benefits of expanding the installation of solar thermal projects, as defined in Minnesota Statutes, section 216B.241, subdivision 2, in residential and commercial buildings in this state. The study must examine the potential for solar thermal projects to reduce heating and cooling costs for individual customers and to reduce costs at the utility level as well. The study must also analyze existing barriers to the installation of on-site energy storage devices by utilities and examine strategies and design potential economic incentives to overcome those barriers. By January 1, 2014, the commissioner of commerce shall submit the study to the chairs and ranking minority members of the legislative committees with jurisdiction over energy policy and finance.

(b) The commissioner of commerce shall assess an amount necessary under Minnesota Statutes, section 216B.241, subdivision 1e, for the purpose of completing the study described in this section.

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

Sec. 49. **SEVERABILITY.**

If any provision of this act is found to be unconstitutional and void, the remaining provisions of this act are valid.

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

Sec. 50. **REPEALER.**

Minnesota Statutes 2012, section 216B.37, is repealed."

Delete the title and insert:

"A bill for an act relating to energy; amending various provisions related to utilities; modifying provisions governing cogeneration and small power production; establishing a value of solar rate and related regulations; permitting community solar generating facilities; creating various renewable energy incentives; requiring studies; extending sunsets; making technical corrections; amending Minnesota Statutes 2012, sections 16C.144, subdivision 2; 116C.779, subdivision 3; 216B.02, subdivision 4; 216B.03; 216B.16, subdivision 7b, by adding a subdivision; 216B.1611; 216B.1635; 216B.164, subdivisions 3, 4, 5, 6, by adding subdivisions; 216B.1691, subdivisions 1, 2a, 2e, by adding a subdivision; 216B.1692, subdivisions 1, 8, by adding a subdivision; 216B.1695, subdivision 5, by adding a subdivision; 216B.23, subdivision 1a; 216B.241, subdivisions 1e, 5c; 216B.2411, subdivision 3; 216B.40; 216B.62, subdivision 7; 216C.436, subdivisions 7, 8; Laws 2005, chapter 97, article 10, section 3; proposing coding for new law in Minnesota Statutes, chapters 216B; 216C; repealing Minnesota Statutes 2012, section 216B.37."

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

A roll call was requested and properly seconded on the adoption of the report from the Committee on Energy Policy relating to H. F. No. 956.

The question was taken on the adoption of the report from the Committee on Energy Policy relating to H. F. No. 956 and the roll was called. There were 70 yeas and 58 nays as follows:

Those who voted in the affirmative were:

Allen	Erhardt	Hortman	Loeffler	Nelson	Selcer
Anzelc	Erickson, R.	Huntley	Mahoney	Newton	Simon
Atkins	Falk	Isaacson	Mariani	Norton	Simonson
Benson, J.	Faust	Johnson, C.	Marquart	Paymar	Sundin
Bernardy	Fischer	Johnson, S.	Masin	Pelowski	Wagenius
Bly	Freiberg	Kahn	Melin	Persell	Ward, J.A.
Brynaert	Fritz	Laine	Metsa	Poppe	Ward, J.E.
Carlson	Halverson	Lenczewski	Moran	Radinovich	Winkler
Clark	Hansen	Lesch	Morgan	Rosenthal	Yarusso
Davnie	Hausman	Liebling	Mullery	Savick	Spk. Thissen
Dehn, R.	Hilstrom	Lien	Murphy, E.	Sawatzky	
Dorholt	Hornstein	Lillie	Murphy, M.	Schoen	

Those who voted in the negative were:

Abeler	Davids	Gruenhagen	Kresha	O'Neill	Theis
Albright	Dean, M.	Gunther	Leidiger	Peppin	Torkelson
Anderson, M.	Dettmer	Hamilton	Lohmer	Petersburg	Uglen
Anderson, P.	Drazkowski	Hertaus	McDonald	Pugh	Urdahl
Anderson, S.	Erickson, S.	Holberg	McNamar	Quam	Wills
Barrett	Fabian	Hoppe	McNamara	Runbeck	Woodard
Beard	FitzSimmons	Howe	Myhra	Sanders	Zellers
Benson, M.	Franson	Johnson, B.	Newberger	Schomacker	Zerwas
Cornish	Garofalo	Kieffer	Nornes	Scott	
Daut	Green	Kiel	O'Driscoll	Swedzinski	

The report from the Committee on Energy Policy relating to H. F. No. 956 was adopted.

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

H. F. No. 975, A bill for an act relating to human services; modifying provisions related to fair hearings and internal audits; creating the Cultural and Ethnic Leadership Communities Council; removing obsolete language; making technical changes; amending Minnesota Statutes 2012, sections 245.4661, subdivisions 2, 6; 245.482, subdivision 5; 256.01, subdivision 2; 256.017, subdivision 1; 256.045, subdivisions 1, 3, 4; 256.0451, subdivisions 5, 13, 22, 24; 256B.055, subdivision 12; 256B.056, subdivision 11; 256B.057, subdivision 3b; 256B.0595, subdivisions 1, 2, 4, 9; 256D.02, subdivision 12a; 256J.30, subdivisions 8, 9; 256J.37, subdivision 3a; 256J.395, subdivision 1; 256J.575, subdivision 3; 256J.626, subdivisions 6, 7; 256J.72, subdivisions 1, 3; proposing coding for new law in Minnesota Statutes, chapter 256; repealing Minnesota Statutes 2012, sections 245.461, subdivision 3; 245.463, subdivisions 1, 3, 4; 256.01, subdivisions 2a, 13, 23a; 256B.0185; 256D.02, subdivision 4a; 256J.575, subdivision 4; 256J.74, subdivision 4; 256L.04, subdivision 9.

Reported the same back with the following amendments:

Page 4, line 26, delete everything after the period

Page 4, delete lines 27 to 29

Page 6, after line 33, insert:

"Sec. 4. Minnesota Statutes 2012, section 256.045, subdivision 5, is amended to read:

Subd. 5. **Orders of the commissioner of human services.** A state human services referee shall conduct a hearing on the appeal and shall recommend an order to the commissioner of human services. The recommended order must be based on all relevant evidence and must not be limited to a review of the propriety of the state or county agency's action. A referee may take official notice of adjudicative facts. The commissioner of human services may accept the recommended order of a state human services referee and issue the order to the county agency and the applicant, recipient, former recipient, or prepaid health plan. The commissioner on refusing to accept the recommended order of the state human services referee, shall notify the petitioner, the agency, or prepaid health plan of that fact and shall state reasons therefor and shall allow each party ten days' time to submit additional written argument on the matter. After the expiration of the ten-day period, the commissioner shall issue an order on the matter to the petitioner, the agency, or prepaid health plan.

A party aggrieved by an order of the commissioner may appeal under subdivision 7, or request reconsideration by the commissioner within 30 days after the date the commissioner issues the order. The commissioner may reconsider an order upon request of any party or on the commissioner's own motion. A request for reconsideration does not stay implementation of the commissioner's order. The person seeking reconsideration has the burden to demonstrate why the matter should be reconsidered. The request for reconsideration may include legal argument and proposed additional evidence supporting the request. If proposed additional evidence is submitted, the person must explain why the proposed additional evidence was not provided at the time of the hearing. If reconsideration is granted, the other participants must be sent a copy of all material submitted in support of the request for reconsideration and must be given ten days to respond. Upon reconsideration, the commissioner may issue an amended order or an order affirming the original order.

Any order of the commissioner issued under this subdivision shall be conclusive upon the parties unless appeal is taken in the manner provided by subdivision 7. Any order of the commissioner is binding on the parties and must be implemented by the state agency, a county agency, or a prepaid health plan according to subdivision 3a, until the order is reversed by the district court, or unless the commissioner or a district court orders monthly assistance or aid or services paid or provided under subdivision 10.

A vendor of medical care as defined in section 256B.02, subdivision 7, or a vendor under contract with a county agency to provide social services is not a party and may not request a hearing or seek judicial review of an order issued under this section, unless assisting a recipient as provided in subdivision 4. A prepaid health plan is a party to an appeal under subdivision 3a, but cannot seek judicial review of an order issued under this section."

Page 9, line 17, after "requested" insert "under section 256.045, subdivision 5"

Page 9, lines 21 to 23, delete the new language

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 Finance and Policy.

The report was adopted.

Liebling from the Committee on Health and Human Services Policy to which was referred:

H. F. No. 1039, A bill for an act relating to human services; modifying the medical assistance income standard for seniors and persons with disabilities; requiring the commissioner to request authority to continue current home and community-based services waiver policy on treatment of a nonassisted spouse's income and assets; amending Minnesota Statutes 2012, section 256B.056, subdivisions 4, as amended, 5c.

Reported the same back with the following amendments:

Page 1, delete section 1

Page 2, line 22, delete the new language

Page 2, delete lines 23 to 27 and insert "The excess income standard under this paragraph shall equal: (1) 80 percent of the federal poverty guidelines effective July 1, 2014; (2) 90 percent of the federal poverty guidelines effective July 1, 2015; and (3) 100 percent of the federal poverty guidelines effective July 1, 2016."

Page 2, line 31, delete everything after "recommendations"

Page 2, line 32, delete "order" and after "limit" insert "a reasonable amount considering changes since the limit was established" and after the first "for" insert "(1)" and after "individuals" insert "and (2) homeowners"

Page 3, line 8, delete "choose between a" and insert "continue to use the" and delete "or" and insert "instead of"

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 2, after "assistance" insert "excess"

Page 1, line 3, delete "seniors and persons with disabilities" and insert "certain individuals"



Page 1, line 5, after the semicolon, insert "requiring the commissioner to make recommendations on asset limits;"

Correct the title numbers accordingly

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

The report was adopted.

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

H. F. No. 1043, A bill for an act relating to public safety; creating new crimes relating to 911 emergency calls; providing criminal penalties; amending Minnesota Statutes 2012, section 609.78.

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

The report was adopted.

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

H. F. No. 1054, A bill for an act relating to marriage; providing for marriage between two persons; providing for exemptions based on religious association; amending Minnesota Statutes 2012, sections 363A.26; 517.01; 517.03, subdivision 1; 517.08, subdivision 1a; 517.09; 518.07; proposing coding for new law in Minnesota Statutes, chapter 517.

Reported the same back with the following amendments:

Page 3, line 26, delete "517.08" and insert "517.04"

Page 3, line 33, delete "union" and insert "organization"

Page 4, delete lines 8 to 11

Renumber the subdivisions in sequence

With the recommendation that when so amended the bill pass.

The report was adopted.

Mullery from the Committee on Early Childhood and Youth Development Policy to which was referred:

H. F. No. 1058, A bill for an act relating to education finance; establishing an early learning scholarship program; expanding access to quality early learning and care; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 124D.

Reported the same back with the following amendments:

Page 2, line 10, delete "parent's" and insert "family's"

Page 2, line 13, delete "may meet" and insert "meets"

Page 2, line 17, after the second semicolon, insert "the Federal Supplemental Nutrition Assistance Program:"

Page 2, line 18, after "119B" insert "and no further information to verify income is required" and after the period, insert "Notwithstanding the other provisions of this section, a parent under age 21 who is pursuing a high school or general education equivalency diploma is eligible for an early learning scholarship, if the parent has a child age zero to five years old and meets the income eligibility guidelines in this subdivision."

Page 2, line 20, delete "child care market rate survey" and insert "early care and education provider market survey"

Page 2, line 22, after the period, insert "The director shall establish a scholarship amount schedule according to the eligible program's rating and prospective programs under subdivision 3, paragraph (g)."

Page 2, line 25, after the period, insert "Eligible providers must be notified of the scholarship allocations available in their geographic location."

Page 2, line 26, delete "may" and insert "shall"

Page 2, line 27, before the period, insert "that meets operational needs of eligible programs"

Page 2, line 29, after the period, insert "By March 15, eligible programs may notify the director of the number of scholarship-eligible children who are eligible under subdivision 4, and who have applied for enrollment in that program. To facilitate enrollment planning, by April 15, the director shall notify eligible programs that have provided enrollment information under this paragraph of the scholarship status of each applicant."

Page 2, line 30, delete "by" and insert "beginning" and delete "1" and insert "15"

Page 3, line 7, delete "must complete" and insert "who has not completed"

Page 3, line 8, after "121A.19" insert "must complete that screening"

Page 4, after line 6, insert:

"Sec. 2. **FISCAL YEAR 2014 ONLY.**

Notwithstanding the timelines in section 1, for fiscal year 2014 only, the director shall establish an expedited process to award scholarships to eligible recipients attending three- or four-star rated programs to accommodate those eligible programs with fall enrollment deadlines."

Reorder the sections in sequence and correct the internal references

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

The report was adopted.

Liebling from the Committee on Health and Human Services Policy to which was referred:

H. F. No. 1064, A bill for an act relating to public health; providing grants to reduce reproductive health disparities for Somali women; appropriating money.

Reported the same back with the following amendments:

Page 1, lines 7 to 8, delete "the metropolitan area" and insert "Minnesota"

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

The report was adopted.

Nelson from the Committee on Government Operations to which was referred:

H. F. No. 1071, A bill for an act relating to agriculture; making policy, technical, conforming, and clarifying changes to provisions related to agricultural law; modifying provisions related to pesticide control, agricultural resource loan and ethanol development, the Rural Finance Authority, grain buyers, and other agriculture-related provisions; modifying provisions related to biofuel; directing the NextGen Energy Board to examine biobased chemical production from agricultural and forestry feedstocks; modifying noxious weed law; modifying definition of E85; amending Minnesota Statutes 2012, sections 17.118, subdivision 2; 18.77, subdivisions 3, 4, 10, 12; 18.78, subdivision 3; 18.79, subdivisions 6, 13; 18.82, subdivision 1; 18.91, subdivisions 1, 2; 18B.01, by adding a subdivision; 18B.065, subdivision 2a; 18B.07, subdivisions 4, 5, 7; 18B.26, subdivision 3; 18B.316, subdivisions 1, 3, 4, 8, 9; 18B.37, subdivision 4; 31.94; 41A.10, subdivision 2, by adding a subdivision; 41A.105, subdivisions 1a, 3, 5; 41A.12, by adding a subdivision; 41B.04, subdivision 9; 116J.437, subdivision 1; 223.17, by adding a subdivision; 232.22, by adding a subdivision; 239.051, by adding subdivisions; 239.791, subdivisions 1, 2a, 2b; 239.7911; 296A.01, subdivision 19, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 18; repealing Minnesota Statutes 2012, sections 18.91, subdivisions 3, 5; 18B.07, subdivision 6; 239.791, subdivision 1a.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Environment, Natural Resources and Agriculture Finance.

The report was adopted.

Liebling from the Committee on Health and Human Services Policy to which was referred:

H. F. No. 1114, A bill for an act relating to human services; modifying provisions related to licensing data, human services licensing, child care programs, financial fraud and abuse investigations, and vendors of chemical dependency treatment services; amending Minnesota Statutes 2012, sections 13.46, subdivisions 3, 4; 119B.125, subdivision 1b; 168.012, subdivision 1; 171.07, subdivision 1a; 245A.02, subdivision 5a; 245A.04, subdivisions 1, 5, 11; 245A.06, subdivision 1; 245A.07, subdivisions 2, 3, by adding a subdivision; 245A.08, subdivisions 2a, 5a; 245A.146, subdivisions 3, 4; 245A.50, subdivision 4; 245A.65, subdivision 1; 245A.66, subdivision 1; 245B.02, subdivision 10; 245B.04; 245B.05, subdivisions 1, 7; 245B.07, subdivisions 5, 9, 10; 254B.05, subdivision 5; 268.19, subdivision 1; 471.346; proposing coding for new law in Minnesota Statutes, chapter 245A; repealing Minnesota Statutes 2012, sections 245B.02, subdivision 8a; 245B.07, subdivision 7a.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1  
DATA PRACTICES

Section 1. Minnesota Statutes 2012, section 13.46, subdivision 3, is amended to read:

Subd. 3. **Investigative data.** (a) Data on persons, including data on vendors of services, licensees, and applicants that is collected, maintained, used, or disseminated by the welfare system in an investigation, authorized by statute, and relating to the enforcement of rules or law are confidential data on individuals pursuant to section 13.02, subdivision 3, or protected nonpublic data not on individuals pursuant to section 13.02, subdivision 13, and shall not be disclosed except:

- (1) pursuant to section 13.05;
- (2) pursuant to statute or valid court order;
- (3) to a party named in a civil or criminal proceeding, administrative or judicial, for preparation of defense; or
- (4) to provide notices required or permitted by statute.

The data referred to in this subdivision shall be classified as public data upon submission to an administrative law judge or court in an administrative or judicial proceeding. Inactive welfare investigative data shall be treated as provided in section 13.39, subdivision 3.

(b) Notwithstanding any other provision in law, the commissioner of human services shall provide all active and inactive investigative data, including the name of the reporter of alleged maltreatment under section 626.556 or 626.557, to the ombudsman for mental health and developmental disabilities upon the request of the ombudsman.

(c) Notwithstanding paragraph (a) and section 13.39, the existence of an investigation by the commissioner of possible overpayments of public funds to a service provider ~~is public data during an investigation~~ or recipient may be disclosed if the commissioner determines that it will not compromise the investigation.

Sec. 2. Minnesota Statutes 2012, section 13.46, subdivision 4, is amended to read:

Subd. 4. **Licensing data.** (a) As used in this subdivision:

(1) "licensing data" are all data collected, maintained, used, or disseminated by the welfare system pertaining to persons licensed or registered or who apply for licensure or registration or who formerly were licensed or registered under the authority of the commissioner of human services;

(2) "client" means a person who is receiving services from a licensee or from an applicant for licensure; and

(3) "personal and personal financial data" are Social Security numbers, identity of and letters of reference, insurance information, reports from the Bureau of Criminal Apprehension, health examination reports, and social/home studies.

(b)(1)(i) Except as provided in paragraph (c), the following data on applicants, license holders, and former licensees are public: name, address, telephone number of licensees, date of receipt of a completed application, dates of licensure, licensed capacity, type of client preferred, variances granted, record of training and education in child care and child development, type of dwelling, name and relationship of other family members, previous license history, class of license, the existence and status of complaints, and the number of serious injuries to or deaths of individuals in the licensed program as reported to the commissioner of human services, the local social services agency, or any other county welfare agency. For purposes of this clause, a serious injury is one that is treated by a physician.

(ii) When a correction order, an order to forfeit a fine, an order of license suspension, an order of temporary immediate suspension, an order of license revocation, an order of license denial, or an order of conditional license has been issued, or a complaint is resolved, the following data on current and former licensees and applicants are public: the general nature of the complaint or allegations leading to the temporary immediate suspension; the substance and investigative findings of the licensing or maltreatment complaint, licensing violation, or substantiated maltreatment; the existence of settlement negotiations; the record of informal resolution of a licensing violation; orders of hearing; findings of fact; conclusions of law; specifications of the final correction order, fine, suspension, temporary immediate suspension, revocation, denial, or conditional license contained in the record of licensing action; whether a fine has been paid; and the status of any appeal of these actions.

(iii) When a license denial under section 245A.05 or a sanction under section 245A.07 is based on a determination that ~~the~~ a license holder ~~or~~ applicant, or controlling individual is responsible for maltreatment under section 626.556 or 626.557, the identity of the applicant ~~or~~ license holder, or controlling individual as the individual responsible for maltreatment is public data at the time of the issuance of the license denial or sanction.

(iv) When a license denial under section 245A.05 or a sanction under section 245A.07 is based on a determination that ~~the~~ a license holder ~~or~~ applicant, or controlling individual is disqualified under chapter 245C, the identity of the license holder ~~or~~ applicant, or controlling individual as the disqualified individual and the reason for the disqualification are public data at the time of the issuance of the licensing sanction or denial. If the

applicant ~~or~~, license holder, or controlling individual requests reconsideration of the disqualification and the disqualification is affirmed, the reason for the disqualification and the reason to not set aside the disqualification are public data.

(2) Notwithstanding sections 626.556, subdivision 11, and 626.557, subdivision 12b, when any person subject to disqualification under section 245C.14 in connection with a license to provide family day care for children, child care center services, foster care for children in the provider's home, or foster care or day care services for adults in the provider's home is a substantiated perpetrator of maltreatment, and the substantiated maltreatment is a reason for a licensing action, the identity of the substantiated perpetrator of maltreatment is public data. For purposes of this clause, a person is a substantiated perpetrator if the maltreatment determination has been upheld under section 256.045; 626.556, subdivision 10i; 626.557, subdivision 9d; or chapter 14, or if an individual or facility has not timely exercised appeal rights under these sections, except as provided under clause (1).

(3) For applicants who withdraw their application prior to licensure or denial of a license, the following data are public: the name of the applicant, the city and county in which the applicant was seeking licensure, the dates of the commissioner's receipt of the initial application and completed application, the type of license sought, and the date of withdrawal of the application.

(4) For applicants who are denied a license, the following data are public: the name and address of the applicant, the city and county in which the applicant was seeking licensure, the dates of the commissioner's receipt of the initial application and completed application, the type of license sought, the date of denial of the application, the nature of the basis for the denial, the existence of settlement negotiations, the record of informal resolution of a denial, orders of hearings, findings of fact, conclusions of law, specifications of the final order of denial, and the status of any appeal of the denial.

(5) The following data on persons subject to disqualification under section 245C.14 in connection with a license to provide family day care for children, child care center services, foster care for children in the provider's home, or foster care or day care services for adults in the provider's home, are public: the nature of any disqualification set aside under section 245C.22, subdivisions 2 and 4, and the reasons for setting aside the disqualification; the nature of any disqualification for which a variance was granted under sections 245A.04, subdivision 9; and 245C.30, and the reasons for granting any variance under section 245A.04, subdivision 9; and, if applicable, the disclosure that any person subject to a background study under section 245C.03, subdivision 1, has successfully passed a background study. If a licensing sanction under section 245A.07, or a license denial under section 245A.05, is based on a determination that an individual subject to disqualification under chapter 245C is disqualified, the disqualification as a basis for the licensing sanction or denial is public data. As specified in clause (1), item (iv), if the disqualified individual is the license holder ~~or~~, applicant, or controlling individual, the identity of the license holder ~~or~~, applicant, or controlling individual and the reason for the disqualification are public data; and, if the license holder ~~or~~, applicant, or controlling individual requested reconsideration of the disqualification and the disqualification is affirmed, the reason for the

disqualification and the reason to not set aside the disqualification are public data. If the disqualified individual is an individual other than the license holder ~~or~~ applicant, or controlling individual, the identity of the disqualified individual shall remain private data.

(6) When maltreatment is substantiated under section 626.556 or 626.557 and the victim and the substantiated perpetrator are affiliated with a program licensed under chapter 245A, the commissioner of human services, local social services agency, or county welfare agency may inform the license holder where the maltreatment occurred of the identity of the substantiated perpetrator and the victim.

(7) Notwithstanding clause (1), for child foster care, only the name of the license holder and the status of the license are public if the county attorney has requested that data otherwise classified as public data under clause (1) be considered private data based on the best interests of a child in placement in a licensed program.

(c) The following are private data on individuals under section 13.02, subdivision 12, or nonpublic data under section 13.02, subdivision 9: personal and personal financial data on family day care program and family foster care program applicants and licensees and their family members who provide services under the license.

(d) The following are private data on individuals: the identity of persons who have made reports concerning licensees or applicants that appear in inactive investigative data, and the records of clients or employees of the licensee or applicant for licensure whose records are received by the licensing agency for purposes of review or in anticipation of a contested matter. The names of reporters of complaints or alleged violations of licensing standards under chapters 245A, 245B, 245C, and applicable rules and alleged maltreatment under sections 626.556 and 626.557, are confidential data and may be disclosed only as provided in section 626.556, subdivision 11, or 626.557, subdivision 12b.

(e) Data classified as private, confidential, nonpublic, or protected nonpublic under this subdivision become public data if submitted to a court or administrative law judge as part of a disciplinary proceeding in which there is a public hearing concerning a license which has been suspended, immediately suspended, revoked, or denied.

(f) Data generated in the course of licensing investigations that relate to an alleged violation of law are investigative data under subdivision 3.

(g) Data that are not public data collected, maintained, used, or disseminated under this subdivision that relate to or are derived from a report as defined in section 626.556, subdivision 2, or 626.5572, subdivision 18, are subject to the destruction provisions of sections 626.556, subdivision 11c, and 626.557, subdivision 12b.

(h) Upon request, not public data collected, maintained, used, or disseminated under this subdivision that relate to or are derived from a report of substantiated maltreatment as defined in section 626.556 or 626.557 may be exchanged with the Department of Health for purposes of completing background studies pursuant to section 144.057 and with the Department of Corrections for purposes of completing background studies pursuant to section 241.021.

(i) Data on individuals collected according to licensing activities under chapters 245A and 245C, data on individuals collected by the commissioner of human services according to investigations under chapters 245A, 245B, and 245C, and sections 626.556 and 626.557 may be shared with the Department of Human Rights, the Department of Health, the Department of Corrections, the ombudsman for mental health and developmental disabilities, and the individual's professional regulatory board when there is reason to believe that laws or standards under the jurisdiction of those agencies may have been violated or the information may otherwise be relevant to the board's regulatory jurisdiction. Background study data on an individual who is the subject of a background study under chapter 245C for a licensed service for which the commissioner of human services is the license holder may be shared with the commissioner and the commissioner's delegate by the licensing division. Unless otherwise specified in this chapter, the identity of a reporter of alleged maltreatment or licensing violations may not be disclosed.

(j) In addition to the notice of determinations required under section 626.556, subdivision 10f, if the commissioner or the local social services agency has determined that an individual is a substantiated perpetrator of maltreatment of a child based on sexual abuse, as defined in section 626.556, subdivision 2, and the commissioner or local social services agency knows that the individual is a person responsible for a child's care in another facility, the commissioner or local social services agency shall notify the head of that facility of this determination. The notification must include an explanation of the individual's available appeal rights and the status of any appeal. If a notice is given under this paragraph, the government entity making the notification shall provide a copy of the notice to the individual who is the subject of the notice.

(k) All not public data collected, maintained, used, or disseminated under this subdivision and subdivision 3 may be exchanged between the Department of Human Services, Licensing Division, and the Department of Corrections for purposes of regulating services for which the Department of Human Services and the Department of Corrections have regulatory authority.

## ARTICLE 2 LICENSING

Section 1. Minnesota Statutes 2012, section 119B.125, subdivision 1b, is amended to read:

Subd. 1b. **Training required.** (a) Effective November 1, 2011, prior to initial authorization as required in subdivision 1, a legal nonlicensed family child care provider must complete first aid and CPR training and provide the verification of first aid and CPR training to the county. The training documentation must have valid effective



dates as of the date the registration request is submitted to the county ~~and~~. The training must have been provided by an individual approved to provide first aid and CPR instruction and have included CPR techniques for infants and children.

(b) Legal nonlicensed family child care providers with an authorization effective before November 1, 2011, must be notified of the requirements before October 1, 2011, or at authorization, and must meet the requirements upon renewal of an authorization that occurs on or after January 1, 2012.

(c) Upon each reauthorization after the authorization period when the initial first aid and CPR training requirements are met, a legal nonlicensed family child care provider must provide verification of at least eight hours of additional training listed in the Minnesota Center for Professional Development Registry.

(d) This subdivision only applies to legal nonlicensed family child care providers.

Sec. 2. Minnesota Statutes 2012, section 245A.02, subdivision 5a, is amended to read:

Subd. 5a. **Controlling individual.** "Controlling individual" means a public body, governmental agency, business entity, officer, owner, or managerial official whose responsibilities include the direction of the management or policies of a program. For purposes of this subdivision, owner means an individual who has direct or indirect ownership interest in a corporation, partnership, or other business association issued a license under this chapter. For purposes of this subdivision, managerial official means those individuals who have the decision-making authority related to the operation of the program, and the responsibility for the ongoing management of or direction of the policies, services, or employees of the program. A site director who has no ownership interest in the program is not considered to be a managerial official for purposes of this definition. Controlling individual does not include:

(1) a bank, savings bank, trust company, savings association, credit union, industrial loan and thrift company, investment banking firm, or insurance company unless the entity operates a program directly or through a subsidiary;

(2) an individual who is a state or federal official, or state or federal employee, or a member or employee of the governing body of a political subdivision of the state or federal government that operates one or more programs, unless the individual is also an officer, owner, or managerial official of the program, receives remuneration from the program, or owns any of the beneficial interests not excluded in this subdivision;

(3) an individual who owns less than five percent of the outstanding common shares of a corporation:

(i) whose securities are exempt under section 80A.45, clause (6); or

(ii) whose transactions are exempt under section 80A.46, clause (2); or

(4) an individual who is a member of an organization exempt from taxation under section 290.05, unless the individual is also an officer, owner, or managerial official of the program or owns any of the beneficial interests not excluded in this subdivision. This clause does not exclude from the definition of controlling individual an organization that is exempt from taxation.

Sec. 3. Minnesota Statutes 2012, section 245A.04, subdivision 1, is amended to read:

Subdivision 1. **Application for licensure.** (a) An individual, corporation, partnership, voluntary association, other organization or controlling individual that is subject to licensure under section 245A.03 must apply for a license. The application must be made on the forms and in the manner prescribed by the commissioner. The commissioner shall provide the applicant with instruction in completing the application and provide information about the rules and requirements of other state agencies that affect the applicant. An applicant seeking licensure in Minnesota with headquarters outside of Minnesota must have a program office located within the state.

The commissioner shall act on the application within 90 working days after a complete application and any required reports have been received from other state agencies or departments, counties, municipalities, or other political subdivisions. The commissioner shall not consider an application to be complete until the commissioner receives all of the information required under section 245C.05.

When the commissioner receives an application for initial licensure that is incomplete because the applicant failed to submit required documents or that is substantially deficient because the documents submitted do not meet licensing requirements, the commissioner shall provide the applicant written notice that the application is incomplete or substantially deficient. In the written notice to the applicant the commissioner shall identify documents that are missing or deficient and give the applicant 45 days to resubmit a second application that is substantially complete. An applicant's failure to submit a substantially complete application after receiving notice from the commissioner is a basis for license denial under section 245A.05.

(b) An application for licensure must identify all controlling individuals and must specify an agent who is responsible for dealing with the commissioner of human services on all matters provided for in this chapter and on whom service of all notices and orders must be made. The agent must be authorized to accept service on behalf of all of the controlling individuals of the program. Service on the agent is service on all of the controlling individuals of the program. It is not a defense to any action arising under this chapter that service

was not made on each controlling individual of the program. The designation of one or more controlling individuals as agents under this paragraph does not affect the legal responsibility of any other controlling individual under this chapter.

(c) An applicant or license holder must have a policy that prohibits license holders, employees, subcontractors, and volunteers, when directly responsible for persons served by the program, from abusing prescription medication or being in any manner under the influence of a chemical that impairs the individual's ability to provide services or care. The license holder must train employees, subcontractors, and volunteers about the program's drug and alcohol policy.

(d) An applicant and license holder must have a program grievance procedure that permits persons served by the program and their authorized representatives to bring a grievance to the highest level of authority in the program.

(e) The applicant must be able to demonstrate competent knowledge of the applicable requirements of this chapter and chapter 245C, and the requirements of other licensing statutes and rules applicable to the program or services for which the applicant is seeking to be licensed. Effective January 1, 2013, the commissioner may require the applicant, except for child foster care, to demonstrate competence in the applicable licensing requirements by successfully completing a written examination. The commissioner may develop a prescribed written examination format.

(f) When an applicant is an individual, the individual must provide:

(1) the applicant's taxpayer identification numbers including the Social Security number, and federal employer identification number, if the applicant has employees;

(2) the complete business name, if any, and if doing business under a different name, the doing business as (DBA) name, as registered with the secretary of state; and

(3) a notarized signature of the applicant.

(g) When an applicant is a nonindividual, the applicant must provide the:

(1) applicant's taxpayer identification numbers including the Minnesota tax identification number, ~~the~~ and federal employer identification number;

(2) complete business name, and if doing business under a different name, the doing business as (DBA) name, as registered with the secretary of state;

(3) first, middle, and last name, and address for all individuals who will be controlling individuals, including all officers, owners, and managerial officials as defined in section 245A.02, subdivision 5a, and the date that the background study was initiated by the applicant for each controlling individual.—~~The applicant must also provide the; and~~

(4) first, middle, and last name, mailing address, and notarized signature of the agent authorized by the applicant to accept service on behalf of the controlling individuals.

(h) At the time of application for licensure or renewal of a license, the applicant or license holder must acknowledge on the form provided by the commissioner if the applicant or license holder elects to receive any public funding reimbursement from the commissioner for services provided under the license that:

(1) the applicant's or license holder's compliance with the provider enrollment agreement or registration requirements for receipt of public funding may be monitored by the commissioner as part of a licensing investigation or licensing inspection; and

(2) noncompliance with the provider enrollment agreement or registration requirements for receipt of public funding that is identified through a licensing investigation or licensing inspection, or noncompliance with a licensing requirement that is a basis of enrollment for reimbursement for a service, may result in:

(i) a correction order or a conditional license under section 245A.06, or sanctions under section 245A.07;

(ii) nonpayment of claims submitted by the license holder for public program reimbursement;

(iii) recovery of payments made for the service;

(iv) disenrollment in the public payment program; or

(v) other administrative, civil, or criminal penalties as provided by law.

Sec. 4. Minnesota Statutes 2012, section 245A.04, subdivision 5, is amended to read:

Subd. 5. **Commissioner's right of access.** (a) When the commissioner is exercising the powers conferred by this chapter and sections 245.69, 626.556, and 626.557, the commissioner must be given access to:

(1) the physical plant and grounds where the program is provided; ;

(2) documents and records, including records maintained in electronic format; ;

(3) persons served by the program; ; and

(4) staff and personnel records of current and former staff whenever the program is in operation and the information is relevant to inspections or investigations conducted by the commissioner. Upon request, the license holder must provide the commissioner verification of documentation of staff work experience, training, or educational requirements.

The commissioner must be given access without prior notice and as often as the commissioner considers necessary if the commissioner is investigating alleged maltreatment, conducting a licensing inspection, or investigating an alleged violation of applicable laws or rules. In conducting inspections, the commissioner may request and shall receive assistance from other state, county, and municipal governmental agencies and departments. The applicant or license holder shall allow the commissioner to photocopy, photograph, and make audio and video tape recordings during the inspection of the program at the commissioner's expense. The commissioner shall obtain a court order or the consent of the subject of the records or the parents or legal guardian of the subject before photocopying hospital medical records.

(b) Persons served by the program have the right to refuse to consent to be interviewed, photographed, or audio or videotaped. Failure or refusal of an applicant or license holder to fully comply with this subdivision is reasonable cause for the commissioner to deny the application or immediately suspend or revoke the license.

Sec. 5. Minnesota Statutes 2012, section 245A.04, subdivision 11, is amended to read:

Subd. 11. **Education program; permitted ages, additional requirement.** (a) Except for foster care, the commissioner of human services may not grant a license to a residential facility for the placement of children before the commissioner has received documentation of approval of the on-site educational program from the commissioner of education according to section 125A.515.

(b) A program licensed by the commissioner under Minnesota Rules, chapter 2960, may serve persons who are over the age of 18 but under the age of 21 when the person is:

- (1) completing secondary education or a program leading to an equivalent credential;
- (2) enrolled in an institution which provides postsecondary or vocational education;
- (3) participating in a program or activity designed to promote, or remove barriers to, employment;
- (4) employed for at least 80 hours per month; or

(5) incapable of doing any of the activities described in clauses (1) to (4) due to a medical condition, which incapability is supported by regularly updated information in the case plan of the person.

(c) In addition to the requirements in paragraph (b), a residential program licensed by the commissioner of human services under Minnesota Rules, parts 2960.0010 to 2960.0710, may serve persons under the age of 21 provided the facility complies with the following requirements:

(1) for each person age 18 and older served at the program, the program must assess and document the person's risk of victimizing other residents residing in the facility, and based on the assessment, the facility must develop and implement necessary measures to minimize any risk of harm to other residents, including making arrangements for appropriate sleeping arrangements; and

(2) the program must assure that the services and living arrangements provided to all residents are suitable to the age and functioning of the residents, including separation of services, staff supervision, and other program operations as appropriate.

(d) Nothing in this subdivision precludes the license holder from seeking other variances under subdivision 9.

Sec. 6. Minnesota Statutes 2012, section 245A.06, subdivision 1, is amended to read:

Subdivision 1. **Contents of correction orders and conditional licenses.** (a) If the commissioner finds that the applicant or license holder has failed to comply with an applicable law or rule and this failure does not imminently endanger the health, safety, or rights of the persons served by the program, the commissioner may issue a correction order and an order of conditional license to the applicant or license holder. When issuing a conditional license, the commissioner shall consider the nature, chronicity, or severity of the violation of law or rule and the effect of the violation on the health, safety, or rights of persons served by the program. The correction order or conditional license must state:

(1) the conditions that constitute a violation of the law or rule;

(2) the specific law or rule violated;

(3) the time allowed to correct each violation; and

(4) if a license is made conditional, the length and terms of the conditional license.

(b) Nothing in this section prohibits the commissioner from proposing a sanction as specified in section 245A.07, prior to issuing a correction order or conditional license.

(c) The commissioner may also issue a conditional license for services provided in the license holder's own home when an individual who has ever been subject to a background study has a disqualification that is not set aside if: (1) the disqualified individual is a "family or household member" of the license holder, as defined in section 518B.01, subdivision 2; or (2) the disqualified individual has a record of having had direct contact with, or access to, persons served by the program.

Sec. 7. Minnesota Statutes 2012, section 245A.07, subdivision 2, is amended to read:

Subd. 2. **Temporary immediate suspension.** If the license holder's actions or failure to comply with applicable law or rule, or the actions of other individuals or conditions in the program pose an imminent risk of harm to the health, safety, or rights of persons served by the program, or if while the program continues to operate pending an appeal of an order of revocation the commissioner identifies one or more new violations of law or rule which may adversely affect the health or safety of persons served by the program, the commissioner shall act immediately to temporarily suspend the license. No state funds shall be made available or be expended by any agency or department of state, county, or municipal government for use by a license holder regulated under this chapter while a license is under immediate suspension. A notice stating the reasons for the immediate suspension and informing the license holder of the right to an expedited hearing under chapter 14 and specifically Minnesota Rules, parts 1400.8505 to 1400.8612, must be delivered by personal service to the address shown on the application or the last known address of the license holder. The license holder may appeal an order immediately suspending a license. The appeal of an order immediately suspending a license must be made in writing by certified mail or personal service. If mailed, the appeal must be postmarked and sent to the commissioner within five calendar days after the license holder receives notice that the license has been immediately suspended. If a request is made by personal service, it must be received by the commissioner within five calendar days after the license holder received the order. A license holder and any controlling individual shall discontinue operation of the program upon receipt of the commissioner's order to immediately suspend the license.

Sec. 8. Minnesota Statutes 2012, section 245A.07, subdivision 3, is amended to read:

Subd. 3. **License suspension, revocation, or fine.** (a) The commissioner may suspend or revoke a license, or impose a fine if:

(1) a license holder fails to comply fully with applicable laws or rules;

(2) a license holder, a controlling individual, or an individual living in the household where the licensed services are provided or is otherwise subject to a background study has a disqualification which has not been set aside under section 245C.22;

(3) a license holder knowingly withholds relevant information from or gives false or misleading information to the commissioner in connection with an application for a license, in connection with the background study status of an individual, during an investigation, or regarding compliance with applicable laws or rules; or

(4) after July 1, 2012, and upon request by the commissioner, a license holder fails to submit the information required of an applicant under section 245A.04, subdivision 1, paragraph (f) or (g).

A license holder who has had a license suspended, revoked, or has been ordered to pay a fine must be given notice of the action by certified mail or personal service. If mailed, the notice must be mailed to the address shown on the application or the last known address of the license holder. The notice must state the reasons the license was suspended, revoked, or a fine was ordered.

(b) If the license was suspended or revoked, the notice must inform the license holder of the right to a contested case hearing under chapter 14 and specifically Minnesota Rules, parts 1400.8505 to 1400.8612. The license holder may appeal an order suspending or revoking a license. The appeal of an order suspending or revoking a license must be made in writing by certified mail or personal service. If mailed, the appeal must be postmarked and sent to the commissioner within ten calendar days after the license holder receives notice that the license has been suspended or revoked. If a request is made by personal service, it must be received by the commissioner within ten calendar days after the license holder received the order. Except as provided in subdivision 2a, paragraph (c), if a license holder submits a timely appeal of an order suspending or revoking a license, the license holder may continue to operate the program as provided in section 245A.04, subdivision 7, paragraphs (g) and (h), until the commissioner issues a final order on the suspension or revocation.

(c)(1) If the license holder was ordered to pay a fine, the notice must inform the license holder of the responsibility for payment of fines and the right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The appeal of an order to pay a fine must be made in writing by certified mail or personal service. If mailed, the appeal must be postmarked and sent to the commissioner within ten calendar days after the license holder receives notice that the fine has been ordered. If a request is made by personal service, it must be received by the commissioner within ten calendar days after the license holder received the order.

(2) The license holder shall pay the fines assessed on or before the payment date specified. If the license holder fails to fully comply with the order, the commissioner may issue a second fine or suspend the license until the license holder complies. If the license holder receives state funds, the state, county, or municipal agencies or departments responsible for administering the funds shall withhold payments and recover any payments made while the license is suspended for failure to pay a fine. A timely appeal shall stay payment of the fine until the commissioner issues a final order.



(3) A license holder shall promptly notify the commissioner of human services, in writing, when a violation specified in the order to forfeit a fine is corrected. If upon reinspection the commissioner determines that a violation has not been corrected as indicated by the order to forfeit a fine, the commissioner may issue a second fine. The commissioner shall notify the license holder by certified mail or personal service that a second fine has been assessed. The license holder may appeal the second fine as provided under this subdivision.

(4) Fines shall be assessed as follows: the license holder shall forfeit \$1,000 for each determination of maltreatment of a child under section 626.556 or the maltreatment of a vulnerable adult under section 626.557 for which the license holder is determined responsible for the maltreatment under section 626.556, subdivision 10e, paragraph (i), or 626.557, subdivision 9c, paragraph (c); the license holder shall forfeit \$200 for each occurrence of a violation of law or rule governing matters of health, safety, or supervision, including but not limited to the provision of adequate staff-to-child or adult ratios, and failure to comply with background study requirements under chapter 245C; and the license holder shall forfeit \$100 for each occurrence of a violation of law or rule other than those subject to a \$1,000 or \$200 fine above. For purposes of this section, "occurrence" means each violation identified in the commissioner's fine order. Fines assessed against a license holder that holds a license to provide the residential-based habilitation services, as defined under section 245B.02, subdivision 20, and a license to provide foster care, may be assessed against both licenses for the same occurrence, but the combined amount of the fines shall not exceed the amount specified in this clause for that occurrence.

(5) When a fine has been assessed, the license holder may not avoid payment by closing, selling, or otherwise transferring the licensed program to a third party. In such an event, the license holder will be personally liable for payment. In the case of a corporation, each controlling individual is personally and jointly liable for payment.

(d) Except for background study violations involving the failure to comply with an order to immediately remove an individual or an order to provide continuous, direct supervision, the commissioner shall not issue a fine under paragraph (c) relating to a background study violation to a license holder who self-corrects a background study violation before the commissioner discovers the violation. A license holder who has previously exercised the provisions of this paragraph to avoid a fine for a background study violation may not avoid a fine for a subsequent background study violation unless at least 365 days have passed since the license holder self-corrected the earlier background study violation.

Sec. 9. Minnesota Statutes 2012, section 245A.07, is amended by adding a subdivision to read:

**Subd. 7. Time frame for conducting hearing.** Within 15 working days of receipt of the license holder's timely appeal of a sanction under this section other than a temporary immediate suspension, the commissioner shall request assignment of an administrative law judge. The commissioner's request must

include a proposed date, time, and place of a hearing. A hearing must be conducted by an administrative law judge within 90 calendar days of the request for assignment, unless an extension is requested by either party and granted by the administrative law judge for good cause or for purposes of discussing settlement. In no case shall one or more extensions be granted for a total of more than 90 calendar days unless there is a criminal or juvenile court action pending against the license holder or another individual subject to a background study.

Sec. 10. Minnesota Statutes 2012, section 245A.08, subdivision 2a, is amended to read:

Subd. 2a. **Consolidated contested case hearings.** (a) When a denial of a license under section 245A.05 or a licensing sanction under section 245A.07, subdivision 3, is based on a disqualification for which reconsideration was timely requested and which was not set aside under section 245C.22, the scope of the contested case hearing shall include the disqualification and the licensing sanction or denial of a license, unless otherwise specified in this subdivision. When the licensing sanction or denial of a license is based on a determination of maltreatment under section 626.556 or 626.557, or a disqualification for serious or recurring maltreatment which was not set aside, the scope of the contested case hearing shall include the maltreatment determination, disqualification, and the licensing sanction or denial of a license, unless otherwise specified in this subdivision. In such cases, a fair hearing under section 256.045 shall not be conducted as provided for in sections 245C.27, 626.556, subdivision 10i, and 626.557, subdivision 9d.

(b) Except for family child care and child foster care, reconsideration of a maltreatment determination under sections 626.556, subdivision 10i, and 626.557, subdivision 9d, and reconsideration of a disqualification under section 245C.22, shall not be conducted when:

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

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

(3) the license holder appeals the maltreatment determination or disqualification, and denial of a license or licensing sanction. In these cases, a fair hearing shall not be conducted under sections 245C.27, 626.556, subdivision 10i, and 626.557, subdivision 9d. The scope of the contested case hearing must include the maltreatment determination, disqualification, and denial of a license or licensing sanction.

Notwithstanding clauses (1) to (3), if the license holder appeals the maltreatment determination or disqualification, but does not appeal the denial of a license or a licensing sanction, reconsideration of the maltreatment determination shall be conducted under sections 626.556, subdivision 10i, and 626.557, subdivision

9d, and reconsideration of the disqualification shall be conducted under section 245C.22. In such cases, a fair hearing shall also be conducted as provided under sections 245C.27, 626.556, subdivision 10i, and 626.557, subdivision 9d.

(c) In consolidated contested case hearings regarding sanctions issued in family child care, child foster care, family adult day services, and adult foster care, the county attorney shall defend the commissioner's orders in accordance with section 245A.16, subdivision 4.

(d) The commissioner's final order under subdivision 5 is the final agency action on the issue of maltreatment and disqualification, including for purposes of subsequent background studies under chapter 245C and is the only administrative appeal of the final agency determination, specifically, including a challenge to the accuracy and completeness of data under section 13.04.

(e) When consolidated hearings under this subdivision involve a licensing sanction based on a previous maltreatment determination for which the commissioner has issued a final order in an appeal of that determination under section 256.045, or the individual failed to exercise the right to appeal the previous maltreatment determination under section 626.556, subdivision 10i, or 626.557, subdivision 9d, the commissioner's order is conclusive on the issue of maltreatment. In such cases, the scope of the administrative law judge's review shall be limited to the disqualification and the licensing sanction or denial of a license. In the case of a denial of a license or a licensing sanction issued to a facility based on a maltreatment determination regarding an individual who is not the license holder or a household member, the scope of the administrative law judge's review includes the maltreatment determination.

(f) The hearings of all parties may be consolidated into a single contested case hearing upon consent of all parties and the administrative law judge, if:

(1) a maltreatment determination or disqualification, which was not set aside under section 245C.22, is the basis for a denial of a license under section 245A.05 or a licensing sanction under section 245A.07;

(2) the disqualified subject is an individual other than the license holder and upon whom a background study must be conducted under section 245C.03; and

(3) the individual has a hearing right under section 245C.27.

(g) When a denial of a license under section 245A.05 or a licensing sanction under section 245A.07 is based on a disqualification for which reconsideration was requested and was not set aside under section 245C.22, and the individual otherwise has no hearing right under section 245C.27, the scope of the administrative law judge's review shall include the denial or sanction and a determination whether the disqualification should be set aside, unless section 245C.24 prohibits the set-aside of the disqualification. In

determining whether the disqualification should be set aside, the administrative law judge shall consider the factors under section 245C.22, subdivision 4, to determine whether the individual poses a risk of harm to any person receiving services from the license holder.

(h) Notwithstanding section 245C.30, subdivision 5, when a licensing sanction under section 245A.07 is based on the termination of a variance under section 245C.30, subdivision 4, the scope of the administrative law judge's review shall include the sanction and a determination whether the disqualification should be set aside, unless section 245C.24 prohibits the set-aside of the disqualification. In determining whether the disqualification should be set aside, the administrative law judge shall consider the factors under section 245C.22, subdivision 4, to determine whether the individual poses a risk of harm to any person receiving services from the license holder.

Sec. 11. Minnesota Statutes 2012, section 245A.08, subdivision 5a, is amended to read:

Subd. 5a. **Granting subsequent license.** (a) A license holder and each controlling individual of a license holder whose license has been revoked because of noncompliance with applicable law or rule must not be granted a license for five years following the revocation. Notwithstanding the five-year restriction, when a license is revoked because a person, other than the license holder, resides in the home where services are provided and that person has a disqualification that is not set aside and no variance has been granted, the former license holder may reapply for a license when:

(1) the person with a disqualification, who is not a minor child, is no longer residing in the home and is prohibited from residing in or returning to the home; or

(2) the person with the disqualification is a minor child, the restriction applies until the minor child becomes an adult and permanently moves away from the home or five years, whichever is less.

(b) An applicant or controlling individual whose application was denied must not be granted a license for two years following a denial, unless the applicant's subsequent application contains new information which constitutes a substantial change in the conditions that caused the previous denial. The addition of a new co-applicant in a subsequent application does not constitute a substantial change. If an applicant or controlling individual whose application was denied is affiliated with a subsequent application, and two years have not passed since the denial, the subsequent application must be denied.

Sec. 12. Minnesota Statutes 2012, section 245A.146, subdivision 3, is amended to read:

Subd. 3. **License holder documentation of cribs.** (a) Annually, from the date printed on the license, all license holders shall check all their cribs' brand names and model numbers against the United States Consumer Product Safety Commission Web site listing of unsafe cribs.

(b) The license holder shall maintain written documentation to be reviewed on site for each crib showing that the review required in paragraph (a) has been completed, and which of the following conditions applies:

(1) the crib was not identified as unsafe on the United States Consumer Product Safety Commission Web site;

(2) the crib was identified as unsafe on the United States Consumer Product Safety Commission Web site, but the license holder has taken the action directed by the United States Consumer Product Safety Commission to make the crib safe; or

(3) the crib was identified as unsafe on the United States Consumer Product Safety Commission Web site, and the license holder has removed the crib so that it is no longer used by or accessible to children in care.

(c) Documentation of the review completed under this subdivision shall be maintained by the license holder on site and made available to parents or guardians of children in care and the commissioner.

(d) Notwithstanding Minnesota Rules, part 9502.0425, a family child care provider that complies with this section may use a mesh-sided or fabric-sided play yard, pack and play, or playpen or crib that has not been identified as unsafe on the United States Consumer Product Safety Commission Web site for the care or sleeping of infants.

(e) On at least a monthly basis, the family child care license holder shall perform safety inspections of every mesh-sided or fabric-sided play yard, pack and play, or playpen used by or that is accessible to any child in care, and must document the following:

(1) there are no tears, holes, or loose or unraveling threads in mesh or fabric sides of crib;

(2) the weave of the mesh on the crib is no larger than 1/4 of an inch;

(3) no mesh fabric is unsecure or unattached to top rail and floor plate of crib;

(4) no tears or holes to top rail of crib;

(5) the mattress floor board is not soft and does not exceed one-inch thick;

(6) the mattress floor board has no rips or tears in covering;

(7) the mattress floor board in use is a waterproof original mattress or replacement mattress provided by the manufacturer of the crib;

(8) there are no protruding or loose rivets, metal nuts, or bolts on the crib;

(9) there are no knobs or wing nuts on outside crib legs;

(10) there are no missing, loose, or exposed staples; and

(11) the latches on top and side rails used to collapse crib are secure, they lock properly, and are not loose.

Sec. 13. Minnesota Statutes 2012, section 245A.146, subdivision 4, is amended to read:

Subd. 4. **Crib safety standards and inspection.** (a) On at least a monthly basis, the license holder shall perform safety inspections of every crib or portable crib of rigid construction including full size and non-full size cribs used by or that is accessible to any child in care, and must document the following:

~~(1) no corner posts extend more than 1/16 of an inch;~~

~~(2) no spaces between side slats exceed 2.375 inches;~~

~~(3) no mattress supports can be easily dislodged from any point of the crib;~~

~~(4) no cutout designs are present on end panels;~~

~~(5) no heights of the rail and end panel are less than 26 inches when measured from the top of the rail or panel in the highest position to the top of the mattress support in its lowest position;~~

~~(6) no heights of the rail and end panel are less than nine inches when measured from the top of the rail or panel in its lowest position to the top of the mattress support in its highest position;~~

~~(7) (2) no screws, bolts, or hardware are loose or not secured, and there is no use of woodscrews in components that are designed to be assembled and disassembled by the crib owner;~~

~~(8) (3) no sharp edges, points, or rough surfaces are present;~~

~~(9) (4) no wood surfaces are rough, splintered, split, or cracked; and~~

~~(10) no tears in mesh of fabric sides in non full size cribs;~~

~~(11) no mattress pads in non full-size mesh or fabric cribs exceed one inch; and~~

~~(12)~~ (5) no unacceptable gaps between the mattress and any sides of the crib are present as follows:

(i) when the noncompressed mattress is centered in the non-full-size crib, at any of the adjustable mattress support positions, the gap between the perimeter of the mattress and the perimeter of the crib cannot be greater than one-half inch at any point. When the mattress is placed against the perimeter of the crib, the resulting gap cannot be greater than one inch at any point; and

(ii) when the noncompressed mattress is centered in the full-size crib, at any of the adjustable mattress support positions, the gap between the perimeter of the mattress and the perimeter of the crib cannot be greater than 11/16 inch at any point. When the mattress is placed against the perimeter of the crib, the resulting gap cannot be greater than 1-3/8 inch at any point.

(b) Upon discovery of any unsafe condition identified by the license holder during the safety inspection required under paragraph (a) or subdivision 3, paragraph (e), the license holder shall immediately remove the crib from use and ensure that the crib is not accessible to children in care, and as soon as practicable, but not more than two business days after the inspection, remove the crib from the area where child care services are routinely provided for necessary repairs or to destroy the crib.

(c) Documentation of the inspections and actions taken with unsafe cribs required in paragraphs (a) and (b), and subdivision 3, paragraph (e), shall be maintained on site by the license holder and made available to parents of children in care and the commissioner.

Sec. 14. Minnesota Statutes 2012, section 245A.50, subdivision 4, is amended to read:

Subd. 4. **Cardiopulmonary resuscitation.** (a) When children are present in a family child care home governed by Minnesota Rules, parts 9502.0315 to 9502.0445, at least one ~~staff person~~ caregiver must be present in the home who has been trained in cardiopulmonary resuscitation (CPR), including CPR techniques for infants and children, and in the treatment of obstructed airways. The CPR training must have been provided by an individual approved to provide CPR instruction, must be repeated at least once every three years, and must be documented in the staff person's records.

(b) A family child care provider is exempt from the CPR training requirement in this subdivision related to any substitute caregiver who provides less than 30 hours of care during any 12-month period.

(c) Video training reviewed and approved by the county licensing agency satisfies the training requirement of this subdivision.

Sec. 15. **[245A.55] APPLICABILITY OF LAWS AND RULES TO A FAMILY CHILD CARE LICENSE HOLDER'S OWN CHILDREN.**

Any provision of statute or rule governing the care of a child in a licensed family child care program applies to the care of a child of any license holder, controlling individual, or caregiver when the child:

(1) is ten years old or younger; and

(2) is present in the licensed family child care home when the program is in operation.

Sec. 16. Minnesota Statutes 2012, section 245A.65, subdivision 1, is amended to read:

Subdivision 1. **License holder requirements.** All license holders serving vulnerable adults shall establish and enforce written policies and procedures related to suspected or alleged maltreatment, and shall orient clients and mandated reporters who are under the control of the license holder to these procedures, as defined in section 626.5572, subdivision 16.

(a) License holders must establish policies and procedures allowing but not mandating the internal reporting of alleged or suspected maltreatment. License holders shall ensure that the policies and procedures on internal reporting:

(1) meet all the requirements identified for the optional internal reporting policies and procedures in section 626.557, subdivision 4a; and

(2) identify the primary and secondary person or position to whom internal reports may be made and the primary and secondary person or position responsible for forwarding internal reports to the common entry point as defined in section 626.5572, subdivision 5. The secondary person must be involved when there is reason to believe that the primary person was involved in the alleged or suspected maltreatment.

(b) The license holder shall:

(1) establish and maintain policies and procedures to ensure that an internal review is completed within 30 calendar days and that corrective action is taken as necessary to protect the health and safety of vulnerable adults when the facility has reason to know that an internal or external report of alleged or suspected maltreatment has been made. The review must include an evaluation of whether related policies and procedures were followed, whether the policies and procedures were adequate, whether there is a need for additional staff training, whether the reported event is similar to past events with the vulnerable adults or the services involved, and whether there is a need for corrective action by the license holder to protect the health



and safety of vulnerable adults. Based on the results of this review, the license holder must develop, document, and implement a corrective action plan designed to correct current lapses and prevent future lapses in performance by individuals or the license holder, if any.

(2) identify the primary and secondary person or position who will ensure that, when required, internal reviews are completed. The secondary person shall be involved when there is reason to believe that the primary person was involved in the alleged or suspected maltreatment; and

(3) document and make internal reviews accessible to the commissioner immediately upon the commissioner's request. For the purposes of this section, the documentation provided to the commissioner by the license holder may consist of a completed checklist that verifies completion of each of the requirements of the review.

(c) The license holder shall provide an orientation to the internal and external reporting procedures to all persons receiving services. The orientation shall include the telephone number for the license holder's common entry point as defined in section 626.5572, subdivision 5. If applicable, the person's legal representative must be notified of the orientation. The program shall provide this orientation for each new person within 24 hours of admission, or for persons who would benefit more from a later orientation, the orientation may take place within 72 hours.

(d) The license holder shall post a copy of the internal and external reporting policies and procedures, including the telephone number of the common entry point as defined in section 626.5572, subdivision 5, in a prominent location in the program and have it available upon request to mandated reporters, persons receiving services, and the person's legal representatives.

Sec. 17. Minnesota Statutes 2012, section 245A.66, subdivision 1, is amended to read:

Subdivision 1. **Internal review.** Except for family child care settings and foster care for children in the license holder's residence, license holders serving children shall:

(1) establish and maintain policies and procedures to ensure that an internal review is completed within 30 calendar days and that corrective action is taken if necessary to protect the health and safety of children in care when the facility has reason to know that an internal or external report of alleged or suspected maltreatment has been made. The review must include an evaluation of whether:

(i) related policies and procedures were followed;

(ii) the policies and procedures were adequate;

- (iii) there is a need for additional staff training;
- (iv) the reported event is similar to past events with the children or the services involved; and
- (v) there is a need for corrective action by the license holder to protect the health and safety of children in care.

Based on the results of this review, the license holder must develop, document, and implement a corrective action plan designed to correct current lapses and prevent future lapses in performance by individuals or the license holder, if any;

(2) identify the primary and secondary person or position who will ensure that, when required, internal reviews are completed. The secondary person shall be involved when there is reason to believe that the primary person was involved in the alleged or suspected maltreatment; and

(3) document ~~that the~~ and make internal ~~review has been completed and provide documentation showing the review was completed~~ reviews accessible to the commissioner immediately upon the commissioner's request. For the purposes of this section, the documentation provided to the commissioner by the license holder may consist of a completed checklist that verifies completion of each of the requirements of the review.

Sec. 18. Minnesota Statutes 2012, section 245B.02, subdivision 10, is amended to read:

Subd. 10. **Incident.** "Incident" means ~~an occurrence that affects the ordinary provision of services to a person and includes~~ any of the following:

- (1) serious injury as determined by section 245.91, subdivision 6;
- (2) a consumer's death;
- (3) any medical ~~emergency~~ emergencies, unexpected serious ~~illness~~ illnesses, or ~~significant unexpected changes in an illness or medical condition, or the mental health status of a person~~ accidents that ~~requires calling 911 or a mental health mobile crisis intervention team,~~ require physician treatment; or hospitalization;
- (4) a consumer's unauthorized ~~or unexplained~~ absence;
- (5) any fires or other events that require the relocation of services for more than 24 hours, or circumstances involving a law enforcement agency or fire department related to the health, safety, or supervision of a consumer;

(6) physical aggression by a consumer against another consumer that causes physical pain, injury, or persistent emotional distress, including, but not limited to, hitting, slapping, kicking, scratching, pinching, biting, pushing, and spitting;

(7) any sexual activity between consumers involving force or coercion as defined under section 609.341, subdivisions 3 and 14; or

(8) a report of child or vulnerable adult maltreatment under section 626.556 or 626.557.

Sec. 19. Minnesota Statutes 2012, section 245B.04, is amended to read:

#### **245B.04 CONSUMER RIGHTS.**

Subdivision 1. **License holder's responsibility for consumers' rights.** The license holder must:

(1) provide the consumer or the consumer's legal representative a copy of the consumer's rights on the day that services are initiated and an explanation of the rights in subdivisions 2 and 3 within five working days of service initiation ~~and annually thereafter~~. Reasonable accommodations shall be made by the license holder to provide this information in other formats as needed to facilitate understanding of the rights by the consumer and the consumer's legal representative, if any;

(2) document the consumer's or the consumer's legal representative's receipt of a copy of the rights and an explanation of the rights; and

(3) ensure the exercise and protection of the consumer's rights in the services provided by the license holder and authorized in the individual service plan.

Subd. 2. **Service-related rights.** A consumer's service-related rights include the right to:

(1) refuse or terminate services and be informed of the consequences of refusing or terminating services;

(2) know, in advance, limits to the services available from the license holder;

(3) know conditions and terms governing the provision of services, including ~~the license holder's policies and procedures~~ those related to initiation and termination;

(4) know what the charges are for services, regardless of who will be paying for the services, and be notified upon request of changes in those charges;

(5) know, in advance, whether services are covered by insurance, government funding, or other sources, and be told of any charges the consumer or other private party may have to pay; and

(6) receive licensed services from individuals who are competent and trained, who have professional certification or licensure, as required, and who meet additional qualifications identified in the individual service plan.

Subd. 3. **Protection-related rights.** ~~(a)~~ The consumer's protection-related rights include the right to:

(1) have personal, financial, services, and medical information kept private, and be advised of the license holder's policies and procedures regarding disclosure of such information;

~~(2) access records and recorded information about the person in accordance with applicable state and federal law, regulation, or rule;~~

(3) be free from maltreatment;

(4) be treated with courtesy and respect for the consumer's individuality, mode of communication, and culture, and receive respectful treatment of the consumer's property;

~~(5) reasonable observance of cultural and ethnic practice and religion;~~

~~(6) be free from bias and harassment regarding race, gender, age, disability, spirituality, and sexual orientation;~~

~~(7) be informed of and use the license holder's grievance policy and procedures, including knowing how to contact persons responsible for addressing problems and to appeal under section 256.045;~~

~~(8) know the name, telephone number, and the Web site, e-mail, and street addresses of protection and advocacy services, including the appropriate state appointed ombudsman, and a brief description of how to file a complaint with these offices;~~

~~(9)~~ voice grievances, know the contact persons responsible for addressing problems and how to contact those persons;

~~(10)~~ (6) any procedures for grievance or complaint resolution and the right to appeal under section 256.045;

~~(11)~~ (7) know the name and address of the state, county, or advocacy agency to contact for additional information or assistance;

~~(12)~~ (8) assert these rights personally, or have them asserted by the consumer's family or legal representative, without retaliation;

~~(13)~~ (9) give or withhold written informed consent to participate in any research or experimental treatment;

~~(14)~~ (10) have daily, private access to and use of a non-coin-operated telephone for local calls and long-distance calls made collect or paid for by the resident;

~~(15)~~ (11) receive and send, ~~without interference,~~ uncensored, unopened mail ~~or electronic correspondence or communication;~~

~~(16)~~ (12) marital privacy for visits with the consumer's spouse and, if both are residents of the site, the right to share a bedroom and bed;

~~(17)~~ (13) associate with other persons of the consumer's choice;

~~(18)~~ (14) personal privacy; and

~~(19)~~ (15) engage in chosen activities.

~~(b) Restriction of a person's rights under paragraph (a), clauses (13) to (15), or this paragraph is allowed only if determined necessary to ensure the health, safety, and well being of the person. Any restriction of these rights must be documented in the service plan for the person and must include the following information:~~

~~(1) the justification for the restriction based on an assessment of the person's vulnerability related to exercising the right without restriction;~~

~~(2) the objective measures set as conditions for ending the restriction;~~

~~(3) a schedule for reviewing the need for the restriction based on the conditions for ending the restriction to occur, at a minimum, every three months for persons who do not have a legal representative and annually for persons who do have a legal representative from the date of initial approval; and~~

~~(4) signed and dated approval for the restriction from the person, or the person's legal representative, if any. A restriction may be implemented only when the required approval has been obtained. Approval may be withdrawn at any time. If approval is withdrawn, the right must be immediately and fully restored.~~

Sec. 20. Minnesota Statutes 2012, section 245B.05, subdivision 1, is amended to read:

Subdivision 1. **Environment.** The license holder must:

(1) ensure that services are provided in a safe and hazard-free environment when the license holder is the owner, lessor, or tenant of the service site. All other license holders shall inform the consumer or the consumer's legal representative and case manager about any environmental safety concerns in writing;

~~(2) ensure that doors are locked or toxic substances or dangerous items normally accessible to persons served by the program are stored in locked cabinets, drawers, or containers~~ lock doors only to protect the safety of consumers and not as a substitute for staff supervision or interactions with consumers. ~~If doors are locked or toxic substances or dangerous items normally accessible to persons served by the program are stored in locked cabinets, drawers, or containers, the license holder must justify and document how this determination was made in consultation with the person or the person's legal representative and how access will otherwise be provided to the person and all other affected persons receiving services;~~

(3) follow procedures that minimize the consumer's health risk from communicable diseases; and

(4) maintain equipment, vehicles, supplies, and materials owned or leased by the license holder in good condition.

Sec. 21. Minnesota Statutes 2012, section 245B.05, subdivision 7, is amended to read:

Subd. 7. **Reporting incidents.** (a) The license holder must maintain information about and report incidents under section 245B.02, subdivision 10, clauses (1) to ~~(7)~~ (8), to the consumer's legal representative, other licensed caregiver, if any, and case manager within 24 hours of the occurrence, or within 24 hours of receipt of the information unless the incident has been reported by another license holder. An incident under section 245B.02, subdivision 10, clause (8), must be reported as required under paragraph (c) unless the incident has been reported by another license holder.

(b) When the incident involves more than one consumer, the license holder must not disclose personally identifiable information about any other consumer when making the report to each consumer's legal representative, other licensed caregiver, if any, and case manager unless the license holder has the consent of a consumer or a consumer's legal representative.

(c) Within 24 hours of reporting maltreatment as required under section 626.556 or 626.557, the license holder must inform the consumer's legal representative and case manager of the report unless there is reason to believe that the legal representative or case manager is involved in the suspected maltreatment. The information the license holder must disclose is the nature of the activity or occurrence reported, the agency that receives the report, and the telephone number of the Department of Human Services Licensing Division.

(d) Except as provided in paragraph (e), death or serious injury of the consumer must also be reported to the Department of Human Services Licensing Division and the ombudsman, as required under sections 245.91 and 245.94, subdivision 2a.

(e) When a death or serious injury occurs in a facility certified as an intermediate care facility for persons with developmental disabilities, the death or serious injury must be reported to the Department of Health, Office of Health Facility Complaints, and the ombudsman, as required under sections 245.91 and 245.94, subdivision 2a.

Sec. 22. Minnesota Statutes 2012, section 245B.07, subdivision 5, is amended to read:

Subd. 5. **Staff orientation.** (a) Within 60 days of hiring staff who provide direct service, the license holder must provide 30 hours of staff orientation. Direct care staff must complete 15 of the 30 hours orientation before providing any unsupervised direct service to a consumer. If the staff person has received orientation training from a license holder licensed under this chapter, or provides semi-independent living services only, the 15-hour requirement may be reduced to eight hours. The total orientation of 30 hours may be reduced to 15 hours if the staff person has previously received orientation training from a license holder licensed under this chapter.

(b) The 30 hours of orientation must combine supervised on-the-job training with ~~review coverage of and instruction on~~ review coverage of the following material:

(1) review of the consumer's service plans and risk management plan to achieve an understanding of the consumer as a unique individual ~~and staff responsibilities related to implementation of those plans;~~

(2) review and instruction on ~~implementation of~~ the license holder's policies and procedures, including their location and access;

(3) ~~staff responsibilities related to~~ emergency procedures;

(4) explanation of specific job functions, including implementing objectives from the consumer's individual service plan;

(5) explanation of responsibilities related to section 245A.65; sections 626.556 and 626.557, governing maltreatment reporting and service planning for children and vulnerable adults; and section 245.825, governing use of aversive and deprivation procedures;

(6) medication administration as it applies to the individual consumer, from a training curriculum developed by a health services professional described in section 245B.05, subdivision 5, and when the consumer meets the criteria of having overriding health care needs, then medication administration taught by a health services professional. Staff may administer medications only after they demonstrate the ability, as defined in the license holder's medication administration policy and procedures. Once a consumer with overriding health care needs is admitted, staff will be provided with remedial training as deemed necessary by the license holder and the health professional to meet the needs of that consumer.

For purposes of this section, overriding health care needs means a health care condition that affects the service options available to the consumer because the condition requires:

- (i) specialized or intensive medical or nursing supervision; and
  - (ii) nonmedical service providers to adapt their services to accommodate the health and safety needs of the consumer;
  - (7) consumer rights ~~and staff responsibilities related to protecting and ensuring the exercise of the consumer rights~~; and
  - (8) other topics necessary as determined by the consumer's individual service plan or other areas identified by the license holder.
- (c) The license holder must document each employee's orientation received.

Sec. 23. Minnesota Statutes 2012, section 245B.07, subdivision 9, is amended to read:

Subd. 9. **Availability of current written policies and procedures.** The license holder shall:

- (1) review and update, as needed, the written policies and procedures in this chapter;
- (2) inform consumers or the consumer's legal representatives of the written policies and procedures in this chapter upon service initiation. ~~Copies of policies and procedures affecting a consumer's rights under section 245D.04 must be provided upon service initiation. Copies of all other policies and procedures~~ must be available to consumers or the consumer's legal representatives, case managers, the county where services are located, and the commissioner upon request;
- (3) provide all consumers or the consumers' legal representatives and case managers a copy ~~of the revised policies and procedures~~ and explanation of ~~the~~ revisions to policies and procedures that affect consumers' service-related or protection-related rights under section 245B.04 ~~and maltreatment reporting policies and procedures~~. Unless there is reasonable cause, the license holder must provide this notice at least 30 days before implementing the revised policy and procedure. The license holder must document the reason for not providing the notice at least 30 days before implementing the revisions;
- (4) annually notify all consumers or the consumers' legal representatives and case managers of any revised policies and procedures under this chapter, other than those in clause (3). Upon request, the license holder must provide the consumer or consumer's legal representative and case manager copies of the revised policies and procedures;



(5) before implementing revisions to policies and procedures under this chapter, inform all employees of the ~~revisions and provide training on implementation of the~~ revised policies and procedures; and

(6) document and maintain relevant information related to the policies and procedures in this chapter.

Sec. 24. Minnesota Statutes 2012, section 245B.07, subdivision 10, is amended to read:

Subd. 10. **Consumer funds.** (a) The license holder must ensure that consumers retain the use and availability of personal funds or property unless restrictions are justified in the consumer's individual service plan.

(b) The license holder must ensure separation of consumer funds from funds of the license holder, the program, or program staff.

(c) Whenever the license holder assists a consumer with the safekeeping of funds or other property, the license holder must have written authorization to do so by the consumer or the consumer's legal representative, and the case manager. In addition, the license holder must:

(1) document receipt and disbursement of the consumer's funds or the property;

(2) annually survey, document, and implement the preferences of the consumer, consumer's legal representative, and the case manager for frequency of receiving a statement that itemizes receipts and disbursements of consumer funds or other property; and

(3) return to the consumer upon the consumer's request, funds and property in the license holder's possession subject to restrictions in the consumer's individual service plan, as soon as possible, but no later than three working days after the date of the request.

(d) License holders and program staff must not:

(1) borrow money from a consumer;

(2) purchase personal items from a consumer;

(3) sell merchandise or personal services to a consumer;

(4) require a consumer to purchase items for which the license holder is eligible for reimbursement; or

(5) use consumer funds in a manner that would violate section 256B.04, or any rules promulgated under that section; ~~or.~~

~~(6) accept powers of attorney from a person receiving services from the license holder for any purpose, and may not accept an appointment as guardian or conservator of a person receiving services from the license holder. This does not apply to license holders that are Minnesota counties or other units of government.~~

Sec. 25. **INSTRUCTIONS TO THE COMMISSIONER.**

The commissioner shall develop a plan to include on the public licensing look-up site all licensing actions, including actions initiated by a county, the resolution of the licensing actions, and the licensee's efforts to correct the issue that resulted in the licensing action. The commissioner shall provide the written report and proposed legislation to the chairs and ranking minority members of the standing legislative committees with jurisdiction over programs licensed by the Department of Human Services no later than December 1, 2013.

Sec. 26. **REPEALER.**

Minnesota Statutes 2012, sections 245B.02, subdivision 8a; and 245B.07, subdivision 7a, are repealed.

ARTICLE 3

FINANCIAL FRAUD AND ABUSE INVESTIGATION

Section 1. Minnesota Statutes 2012, section 168.012, subdivision 1, is amended to read:

Subdivision 1. **Vehicles exempt from tax, fees, or plate display.** (a) The following vehicles are exempt from the provisions of this chapter requiring payment of tax and registration fees, except as provided in subdivision 1c:

(1) vehicles owned and used solely in the transaction of official business by the federal government, the state, or any political subdivision;

(2) vehicles owned and used exclusively by educational institutions and used solely in the transportation of pupils to and from those institutions;

(3) vehicles used solely in driver education programs at nonpublic high schools;

(4) vehicles owned by nonprofit charities and used exclusively to transport disabled persons for charitable, religious, or educational purposes;

(5) vehicles owned by nonprofit charities and used exclusively for disaster response and related activities;

(6) vehicles owned by ambulance services licensed under section 144E.10 that are equipped and specifically intended for emergency response or providing ambulance services; and

(7) vehicles owned by a commercial driving school licensed under section 171.34, or an employee of a commercial driving school licensed under section 171.34, and the vehicle is used exclusively for driver education and training.

(b) Provided the general appearance of the vehicle is unmistakable, the following vehicles are not required to register or display number plates:

(1) vehicles owned by the federal government;

(2) fire apparatuses, including fire-suppression support vehicles, owned or leased by the state or a political subdivision;

(3) police patrols owned or leased by the state or a political subdivision; and

(4) ambulances owned or leased by the state or a political subdivision.

(c) Unmarked vehicles used in general police work, liquor investigations, or arson investigations, and passenger automobiles, pickup trucks, and buses owned or operated by the Department of Corrections or by conservation officers of the Division of Enforcement and Field Service of the Department of Natural Resources, must be registered and must display appropriate license number plates, furnished by the registrar at cost. Original and renewal applications for these license plates authorized for use in general police work and for use by the Department of Corrections or by conservation officers must be accompanied by a certification signed by the appropriate chief of police if issued to a police vehicle, the appropriate sheriff if issued to a sheriff's vehicle, the commissioner of corrections if issued to a Department of Corrections vehicle, or the appropriate officer in charge if issued to a vehicle of any other law enforcement agency. The certification must be on a form prescribed by the commissioner and state that the vehicle will be used exclusively for a purpose authorized by this section.

(d) Unmarked vehicles used by the Departments of Revenue and Labor and Industry, fraud unit, in conducting seizures or criminal investigations must be registered and must display passenger vehicle classification license number plates, furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the commissioner of revenue or the commissioner of labor and industry. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the purposes authorized by this section.

(e) Unmarked vehicles used by the Division of Disease Prevention and Control of the Department of Health must be registered and must display passenger vehicle classification license number plates. These plates must be furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the commissioner of health. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the official duties of the Division of Disease Prevention and Control.

(f) Unmarked vehicles used by staff of the Gambling Control Board in gambling investigations and reviews must be registered and must display passenger vehicle classification license number plates. These plates must be furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the board chair. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the official duties of the Gambling Control Board.

(g) Unmarked vehicles used in general investigation, surveillance, supervision, and monitoring by the ~~staff of the Department of Human Services Services' Office of Special Investigations and the executive director of Investigations' staff;~~ the Minnesota sex offender ~~program program's executive director and the executive director's staff;~~ and the Office of Inspector General's staff, including, but not limited to, county fraud prevention investigators, must be registered and must display passenger vehicle classification license number plates, furnished by the registrar at cost. Original and renewal applications for passenger vehicle license plates must be accompanied by a certification signed by the commissioner of human services. The certification must be on a form prescribed by the commissioner and state that the vehicles must be used exclusively for the official duties of the Office of Special ~~Investigations and Investigations' staff;~~ the ~~executive director of the Minnesota sex offender program program's executive director and the executive director's staff;~~ and the Office of the Inspector General's staff, including, but not limited to, contract and county fraud prevention investigators.

(h) Each state hospital and institution for persons who are mentally ill and developmentally disabled may have one vehicle without the required identification on the sides of the vehicle. The vehicle must be registered and must display passenger vehicle classification license number plates. These plates must be furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the hospital administrator. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the official duties of the state hospital or institution.

(i) Each county social service agency may have vehicles used for child and vulnerable adult protective services without the required identification on the sides of the vehicle. The vehicles must be registered and must display passenger vehicle classification license number plates. These plates must be furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the agency administrator. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the official duties of the social service agency.

(j) All other motor vehicles must be registered and display tax-exempt number plates, furnished by the registrar at cost, except as provided in subdivision 1c. All vehicles required to display tax-exempt number plates must have the name of the state department or political subdivision, nonpublic high school operating a driver education program, licensed commercial driving school, or other qualifying organization or entity, plainly displayed on both sides of the vehicle. This identification must be in a color giving contrast with that

of the part of the vehicle on which it is placed and must endure throughout the term of the registration. The identification must not be on a removable plate or placard and must be kept clean and visible at all times; except that a removable plate or placard may be utilized on vehicles leased or loaned to a political subdivision or to a nonpublic high school driver education program.

Sec. 2. Minnesota Statutes 2012, section 256.01, subdivision 18d, is amended to read:

Subd. 18d. **Data sharing with the Department of Human Services; multiple identification cards.** (a) The commissioner of public safety shall, on a monthly basis, provide the commissioner of human services with the first, middle, and last name, ~~and~~ the address, date of birth, ~~and~~ driver's license or state identification card number, and all photographs or electronically produced images of all applicants and holders whose drivers' licenses and state identification cards have been canceled under section 171.14, paragraph (a), clause (2) or (3), by the commissioner of public safety. After the initial data report has been provided by the commissioner of public safety to the commissioner of human services under this paragraph, subsequent reports shall only include cancellations that occurred after the end date of the cancellations represented in the previous data report.

(b) The commissioner of human services shall compare the information provided under paragraph (a) with the commissioner's data regarding recipients of all public assistance programs managed by the Department of Human Services to determine whether any individual with multiple identification cards issued by the Department of Public Safety has illegally or improperly enrolled in any public assistance program managed by the Department of Human Services.

(c) If the commissioner of human services determines that an applicant or recipient has illegally or improperly enrolled in any public assistance program, the commissioner shall provide all due process protections to the individual before terminating the individual from the program according to applicable statute and notifying the county attorney.

**EFFECTIVE DATE.** This section is effective July 1, 2013.

Sec. 3. Minnesota Statutes 2012, section 268.19, subdivision 1, is amended to read:

Subdivision 1. **Use of data.** (a) Except as provided by this section, data gathered from any person under the administration of the Minnesota Unemployment Insurance Law are private data on individuals or nonpublic data not on individuals as defined in section 13.02, subdivisions 9 and 12, and may not be disclosed except according to a district court order or section 13.05. A subpoena is not considered a district court order. These data may be disseminated to and used by the following agencies without the consent of the subject of the data:

(1) state and federal agencies specifically authorized access to the data by state or federal law;

(2) any agency of any other state or any federal agency charged with the administration of an unemployment insurance program;

(3) any agency responsible for the maintenance of a system of public employment offices for the purpose of assisting individuals in obtaining employment;

(4) the public authority responsible for child support in Minnesota or any other state in accordance with section 256.978;

(5) human rights agencies within Minnesota that have enforcement powers;

(6) the Department of Revenue to the extent necessary for its duties under Minnesota laws;

(7) public and private agencies responsible for administering publicly financed assistance programs for the purpose of monitoring the eligibility of the program's recipients;

(8) the Department of Labor and Industry and the Division of Insurance Fraud Prevention in the Department of Commerce for uses consistent with the administration of their duties under Minnesota law;

(9) the Department of Human Services and the Office of Inspector General and its agents within the Department of Human Services, including county fraud investigators, for investigations related to recipient or provider fraud and employees of providers when the provider is suspected of committing public assistance fraud;

~~(9)~~ (10) local and state welfare agencies for monitoring the eligibility of the data subject for assistance programs, or for any employment or training program administered by those agencies, whether alone, in combination with another welfare agency, or in conjunction with the department or to monitor and evaluate the statewide Minnesota family investment program by providing data on recipients and former recipients of food stamps or food support, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, or medical programs under chapter 256B, 256D, or 256L;

~~(40)~~ (11) local and state welfare agencies for the purpose of identifying employment, wages, and other information to assist in the collection of an overpayment debt in an assistance program;

~~(44)~~ (12) local, state, and federal law enforcement agencies for the purpose of ascertaining the last known address and employment location of an individual who is the subject of a criminal investigation;

~~(42)~~ (13) the United States Immigration and Customs Enforcement has access to data on specific individuals and specific employers provided the specific individual or specific employer is the subject of an investigation by that agency;

~~(43)~~ (14) the Department of Health for the purposes of epidemiologic investigations;

~~(44)~~ (15) the Department of Corrections for the purpose of preconfinement and postconfinement employment tracking of committed offenders for the purpose of case planning; and

~~(15)~~ (16) the state auditor to the extent necessary to conduct audits of job opportunity building zones as required under section 469.3201.

(b) Data on individuals and employers that are collected, maintained, or used by the department in an investigation under section 268.182 are confidential as to data on individuals and protected nonpublic data not on individuals as defined in section 13.02, subdivisions 3 and 13, and must not be disclosed except under statute or district court order or to a party named in a criminal proceeding, administrative or judicial, for preparation of a defense.

(c) Data gathered by the department in the administration of the Minnesota unemployment insurance program must not be made the subject or the basis for any suit in any civil proceedings, administrative or judicial, unless the action is initiated by the department.

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

Sec. 4. Minnesota Statutes 2012, section 471.346, is amended to read:

**471.346 PUBLICLY OWNED AND LEASED VEHICLES IDENTIFIED.**

All motor vehicles owned or leased by a statutory or home rule charter city, county, town, school district, metropolitan or regional agency, or other political subdivision, except for unmarked vehicles used in general police and fire work ~~and~~, arson investigations, and Department of Human Services investigations including county fraud prevention investigations, shall have the name of the political subdivision plainly displayed on both sides of the vehicle in letters not less than 2-1/2 inches high and one-half inch wide. The identification must be in a color that contrasts with the color of the part of the vehicle on which it is placed and must remain on and be clean and visible throughout the period of which the vehicle is owned or leased by the political subdivision. The identification must not be on a removable plate or placard except on leased vehicles but the plate or placard must not be removed from a leased vehicle at any time during the term of the lease.

ARTICLE 4  
CHEMICAL AND MENTAL HEALTH

Section 1. Minnesota Statutes 2012, section 254B.05, subdivision 5, is amended to read:

Subd. 5. **Rate requirements.** (a) The commissioner shall establish rates for chemical dependency services and service enhancements funded under this chapter.

(b) Eligible chemical dependency treatment services include:

(1) outpatient treatment services that are licensed according to Minnesota Rules, parts 9530.6405 to 9530.6480, or applicable tribal license;

(2) medication-assisted therapy services that are licensed according to Minnesota Rules, parts 9530.6405 to 9530.6480 and 9530.6500, or applicable tribal license;

(3) medication-assisted therapy plus enhanced treatment services that meet the requirements of clause (2) and provide nine hours of clinical services each week;

(4) high, medium, and low intensity residential treatment services that are licensed according to Minnesota Rules, parts 9530.6405 to 9530.6480 and 9530.6505, or applicable tribal license which provide, respectively, 30, 15, and five hours of clinical services each week;

(5) hospital-based treatment services that are licensed according to Minnesota Rules, parts 9530.6405 to 9530.6480, or applicable tribal license and licensed as a hospital under sections 144.50 to 144.56;

(6) adolescent treatment programs that are licensed as outpatient treatment programs according to Minnesota Rules, parts 9530.6405 to 9530.6485, or as residential treatment programs according to Minnesota Rules, ~~chapter 2960~~ parts 2960.0010 to 2960.0220, and 2960.0430 to 2960.0490, or applicable tribal license; and

(7) room and board facilities that meet the requirements of section 254B.05, subdivision 1a.

(c) The commissioner shall establish higher rates for programs that meet the requirements of paragraph (b) and the following additional requirements:

(1) programs that serve parents with their children if the program;

(i) provides on-site child care during hours of treatment activity that meets the additional licensing requirement requirements in Minnesota Rules, part 9530.6490, and provides child care that meets the requirements of or section 245A.03, subdivision 2, during hours of treatment activity; or

(ii) arranges for off-site child care during hours of treatment activity at a facility that is licensed under chapter 245A as:

(A) a child care center under Minnesota Rules, chapter 9503; or

(B) a family child care home under Minnesota Rules, chapter 9502;



(2) programs serving special populations if the program meets the requirements in Minnesota Rules, part 9530.6605, subpart 13;

(3) programs that offer medical services delivered by appropriately credentialed health care staff in an amount equal to two hours per client per week if the medical needs of the client and the nature and provision of any medical services provided are documented in the client file; and

(4) programs that offer services to individuals with co-occurring mental health and chemical dependency problems if:

(i) the program meets the co-occurring requirements in Minnesota Rules, part 9530.6495;

(ii) 25 percent of the counseling staff are licensed mental health professionals, as defined in section 245.462, subdivision 18, clauses (1) to (6), or are students or licensing candidates under the supervision of a licensed alcohol and drug counselor supervisor and licensed mental health professional, except that no more than 50 percent of the mental health staff may be students or licensing candidates with time documented to be directly related to provisions of co-occurring services;

(iii) clients scoring positive on a standardized mental health screen receive a mental health diagnostic assessment within ten days of admission;

(iv) the program has standards for multidisciplinary case review that include a monthly review for each client that, at a minimum, includes a licensed mental health professional and licensed alcohol and drug counselor, and their involvement in the review is documented;

(v) family education is offered that addresses mental health and substance abuse disorders and the interaction between the two; and

(vi) co-occurring counseling staff will receive eight hours of co-occurring disorder training annually.

(d) In order to be eligible for a higher rate under paragraph (c), clause (1), a program that provides arrangements for off-site child care must maintain current documentation at the chemical dependency facility of the child care provider's current licensure to provide child care services. Programs that provide child care according to paragraph (c), clause (1), must be deemed in compliance with the licensing requirements in Minnesota Rules, part 9530.6490.

(e) Adolescent residential programs that meet the requirements of Minnesota Rules, parts ~~2960.0580 to 2960.0700~~ 2960.0430 to 2960.0490 and 2960.0580 to 2960.0690, are exempt from the requirements in paragraph (c), clause (4), items (i) to (iv).

ARTICLE 5  
HEALTH-RELATED LICENSING BOARDS

Section 1. Minnesota Statutes 2012, section 148E.0555, subdivision 2, is amended to read:

Subd. 2. **Eligible agency personnel.** When submitting the application for licensure, the applicant must provide evidence satisfactory to the board that the applicant is currently employed by a:

(1) Minnesota city or state agency, and:

(i) at any time within three years of the date of submitting an application for licensure was presented to the public by any title incorporating the words "social work" or "social worker," while employed by that agency for a minimum of six months; or

(ii) at any time within three years of the date of submitting an application for licensure was engaged in the practice of social work, including clinical social work, as described in section 148E.010, subdivisions 6 and 11, while employed by that agency for a minimum of six months; or

(2) private nonprofit, ~~nontribal~~ or tribal agency whose primary service focus addresses ethnic minority populations, and the applicant is a member of an ethnic minority population within the agency, previously exempt from licensure under Minnesota Statutes 2010, section 148D.065, subdivision 5, and section 148E.065, subdivision 5, and:

(i) at any time within three years of the date of submitting an application for licensure was presented to the public by any title incorporating the words "social work" or "social worker," while employed by that agency for a minimum of six months; or

(ii) at any time within three years of the date of submitting an application for licensure was engaged in the practice of social work, including clinical social work, as described under section 148E.010, subdivisions 6 and 11, while employed by that agency for a minimum of six months."

Delete the title and insert:

"A bill for an act relating to human services; modifying provisions related to licensing data, human services licensing, child care programs, financial fraud and abuse investigations, vendors of chemical dependency treatment services, fair hearings, and health-related licensing boards; requiring a report; amending Minnesota Statutes 2012, sections 13.46, subdivisions 3, 4; 119B.125, subdivision 1b; 148E.0555, subdivision 2; 168.012, subdivision 1; 245A.02, subdivision 5a; 245A.04, subdivisions 1, 5, 11; 245A.06, subdivision 1; 245A.07, subdivisions 2, 3, by adding a subdivision; 245A.08, subdivisions 2a, 5a; 245A.146, subdivisions 3, 4; 245A.50, subdivision 4; 245A.65, subdivision 1; 245A.66, subdivision 1; 245B.02,

subdivision 10; 245B.04; 245B.05, subdivisions 1, 7; 245B.07, subdivisions 5, 9, 10; 254B.05, subdivision 5; 256.01, subdivision 18d; 268.19, subdivision 1; 471.346; proposing coding for new law in Minnesota Statutes, chapter 245A; repealing Minnesota Statutes 2012, sections 245B.02, subdivision 8a; 245B.07, subdivision 7a."

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

The report was adopted.

Nelson from the Committee on Government Operations to which was referred:

H. F. No. 1118, A bill for an act relating to bonds; modifying requirements for bond security; amending Minnesota Statutes 2012, section 574.01.

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

The report was adopted.

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

H. F. No. 1120, A bill for an act relating to state government; requiring service on all parties for judicial review of contested case; amending Minnesota Statutes 2012, section 14.63.

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

The report was adopted.

Liebling from the Committee on Health and Human Services Policy to which was referred:

H. F. No. 1125, A bill for an act relating to health; making changes to the violence prevention education program for school districts; establishing a prevention of sexual violence work group; establishing grants; appropriating money; amending Minnesota Statutes 2012, section 120B.22.

Reported the same back with the following amendments:

Page 1, delete section 1

Page 3, delete section 2

Page 5, delete lines 25 to 27

Page 5, line 28, delete "(b)"

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to health; establishing sexual violence prevention demonstration partnership grants; appropriating money."

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

The report was adopted.

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

H. F. No. 1131, A bill for an act relating to capital investment; appropriating money for expansion of the University Enterprise Laboratories building; authorizing the sale and issuance of state bonds.

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

The report was adopted.

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

H. F. No. 1138, A bill for an act relating to the military; updating the Minnesota Code of Military Justice; providing clarifying language; amending Minnesota Statutes 2012, sections 192A.02, subdivision 1; 192A.045, subdivision 3; 192A.095; 192A.10; 192A.105; 192A.11, subdivision 1; 192A.111; 192A.13; 192A.20; 192A.235, subdivision 3; 192A.605; 192A.62; 192A.66; proposing coding for new law in Minnesota Statutes, chapter 192A; repealing Minnesota Statutes 2012, sections 192A.085; 192A.11, subdivisions 2, 3.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on State Government Finance and Veterans Affairs.

The report was adopted.

Liebling from the Committee on Health and Human Services Policy to which was referred:

H. F. No. 1139, A bill for an act relating to human services; modifying provisional discharge for the Minnesota sex offender program; modifying victim notification of discharge or release of person in the Minnesota sex offender program; amending Minnesota Statutes 2012, sections 253B.18, subdivision 5a; 253B.185, subdivisions 10, 12, 13, 14, 14a; 253B.19, subdivision 3; 611A.06, subdivisions 1, 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1  
SEXUAL VIOLENCE PREVENTION

Section 1. **TITLE.**

This act shall be known as the "Sexual Violence Prevention and Civil Commitment Reform Act of 2013."

Sec. 2. **PREVENTION OF SEXUAL VIOLENCE WORKING GROUP.**

Subdivision 1. **Creation; duties; recommendations.** (a) The commissioner of health shall convene a prevention of sexual violence working group. At a minimum, the working group shall:

(1) maintain an inventory of existing state programs and services that have an impact on sexual violence prevention;

(2) establish goals and strategic objectives for the prevention of sexual violence; and

(3) coordinate implementation of existing state programs and services to achieve these goals and objectives.

(b) The working group shall base its actions and recommendations on:

(1) evidence-informed research and professional best practices;

(2) consultation with professional associations, community associations, and providers, including, but not limited to, those with experience in public health, health, criminal justice, judiciary, corrections, or victim services; and

(3) the Minnesota Department of Health Five-Year Sexual Violence Prevention Plan.

The working group may give priority consideration to the immediate and long-term benefits of reducing the impact of sexual violence on children and youth.

(c) The commissioner must convene the first meeting of this working group by August 1, 2013. The working group is subject to Minnesota Statutes, section 15.059.

Subd. 2. **Membership.** The working group consists of the following members or their designees:

(1) the commissioner of health;

(2) the commissioner of human services;

(3) the commissioner of public safety;

(4) the commissioner of corrections;

(5) the commissioner of education;

(6) the commissioner of human rights;

(7) the commissioner of administration; and

(8) representatives from other state agencies or commissions as designated by the governor.

Subd. 3. **Consultation.** The working group may consult with professional associations, community associations, nonprofit organizations, providers, advocates, and members of the legislature. These consultations may include, but are not limited to, advisory committees, community conferences, workshops, and forums.

Subd. 4. **Reports.** (a) By February 1, 2014, the working group shall submit an initial report, in coordination with the governor, to summarize its key deliberations and initiatives to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over public safety, public health, judiciary, human services, education, and state governmental operations.

(b) The working group may propose recommendations to the governor for new state policies, programs, or services to advance the goals and objectives identified under subdivision 1, and comment on proposals for new state policies, programs, or services initiated by the legislature or state agencies or commissions.

Subd. 5. **Expiration.** This working group expires June 30, 2016.

Sec. 3. **SEXUAL VIOLENCE PREVENTION DEMONSTRATION PARTNERSHIP GRANTS.**

Subdivision 1. **Definition.** As used in this section, "community sexual violence prevention partnership" is an alliance of local governments, colleges and universities, school districts, and nonprofit, civic, and business groups organized for the purpose of sexual violence prevention, including, but not limited to, entities with experience in public health, health, criminal justice, judiciary, corrections, or victim services.

Subd. 2. **Community sexual violence prevention partnership demonstration grants.** (a) The commissioner of health shall award competitive grants to community health boards established pursuant to Minnesota Statutes, section 145A.09, and tribal governments to fund partnerships. The commissioner shall award up to five grants per year, taking into account geographic balance.

(b) Grants may be used for the following activities:

(1) improving the coordination of existing programs, services, and activities that support sexual violence prevention;

(2) initiating new programs, services, and activities that support sexual violence prevention;

(3) supporting outreach, education, and technical assistance for other localities seeking to undertake similar programs, services, and activities; and

(4) supporting the reporting and evaluation of sexual violence.

Grant recipients shall give priority consideration to the immediate and long-term benefits of reducing the impact of sexual violence on children and youth.

(c) To receive a grant under this section, community health boards and tribal governments must:

(1) submit proposals to the commissioner;

(2) collaborate with one or more local nonprofit or government agencies that receive sexual assault advocate grants from the Department of Public Safety Office of Justice Programs;

(3) demonstrate that grant activities are:

- (i) based on evidence informed by research and professional best practices for sexual violence prevention;
  - (ii) based on assessment of community sexual violence prevention need and capacity;
  - (iii) based on community input; and
  - (iv) consistent with the Department of Health Five-Year Sexual Violence Prevention Plan; and
- (4) provide a local match of ten percent of the total funding allocation.

The local match may include grants or donations from federal or private entities expressly for the purposes of this grant.

(d) The commissioner may award grants under this section to a community health board or tribal government for a term of up to, but not to exceed, 60 consecutive months, based upon the availability of state or federal funds to support the purposes of these grants.

Subd. 3. **Technical assistance.** The commissioner shall contract with private or nonprofit providers to deliver technical assistance services to grant recipients.

#### Sec. 4. **APPROPRIATIONS.**

(a) \$100,000 each year is appropriated to the commissioner of health for working group administration and activities. The commissioner may solicit and accept contributions from government or private entities to hire staff or consultants to fund the working group.

(b) \$750,000 each year is appropriated to the commissioner of health to fund community sexual violence prevention partnership demonstration grants. The commissioner may use up to six percent of this appropriation for administration and up to six percent of this appropriation for technical assistance.

## ARTICLE 2 STRICT AND INTENSIVE SUPERVISION AND TREATMENT AND PUBLIC EDUCATION CAMPAIGN

### Section 1. **STRICT AND INTENSIVE SUPERVISION AND TREATMENT.**

The commissioner of human services shall ensure there are an adequate number of facilities that provide strict and intensive supervision and treatment for individuals civilly committed under Minnesota Statutes, section 253B.185, who are court-ordered to strict and intensive supervision and treatment placement. The facilities must meet public safety requirements as specified by the commissioners of human services, public safety, and corrections, and ensure the safety of the public while meeting the treatment needs of the civilly committed population. The commissioner shall use the information resulting from the January 2013 request for information to determine existing capacity for a range of options for facilities, and treatment that is effective and appropriate and allows progression. If the capacity is insufficient, the commissioner shall develop or contract to provide additional facilities, services, and treatment to meet the need.

### Sec. 2. **EDUCATION RELATING TO SEX OFFENDER CIVIL COMMITMENT PROCEDURAL CHANGES.**

The commissioner of human services shall develop and provide education to judges and court staff, county attorneys and other lawyers, and court-appointed examiners about the civil commitment procedural changes under this article and the strict and intensive supervision and treatment under section 1.

Sec. 3. **PUBLIC EDUCATION CAMPAIGN.**

The commissioner of human services shall develop a public education campaign informing the general public about the 2012 class action lawsuit relating to the Minnesota sex offender program (MSOP), the court's rulings, including the order from the court establishing the Sex Offender Civil Commitment Advisory Task Force and the work of the task force, and the response by the legislature resulting in the legislation in this bill. The public education campaign must be a statewide effort to educate Minnesotans on the process of civilly committing sex offenders and the emerging policy in response to the court's decisions, and related issues.

ARTICLE 3  
CIVIL COMMITMENT MODIFICATIONS

Section 1. Minnesota Statutes 2012, section 253B.185, subdivision 1, is amended to read:

Subdivision 1. **Commitment generally.** (a) Except as otherwise provided in this section, the provisions of this chapter pertaining to persons who are mentally ill and dangerous to the public apply with like force and effect to persons who are alleged or found to be sexually dangerous persons or persons with a sexual psychopathic personality. For purposes of this section, "sexual psychopathic personality" includes any individual committed as a "psychopathic personality" under Minnesota Statutes 1992, section 526.10.

(b) Before commitment proceedings are instituted, the facts shall first be submitted to the county attorney, who, if satisfied that good cause exists, will prepare the petition. The county attorney may request a prepetition screening report. The petition is to be executed by a person having knowledge of the facts and filed with the district court of the county of financial responsibility or the county where the patient is present. If the patient is in the custody of the commissioner of corrections, the petition may be filed in the county where the conviction for which the person is incarcerated was entered.

(c) Upon the filing of a petition alleging that a proposed patient is a sexually dangerous person or is a person with a sexual psychopathic personality, the court shall hear the petition as provided in ~~section 253B.18, except that section 253B.18, subdivisions 2 and 3, shall not apply~~ sections 253B.07 and 253B.08.

If the court finds by clear and convincing evidence that the proposed patient is a sexually dangerous person or is a person with a sexual psychopathic personality, the court shall commit the person to the commissioner to place in a secure treatment facility for evaluation and proposed disposition.

~~(d) In commitments under this section, the court shall commit the patient to a secure treatment facility unless the patient establishes by clear and convincing evidence that a less restrictive treatment program is available that is consistent with the patient's treatment needs and the requirements of public safety. Within 60 days following commitment and receipt of the patient, a qualified person or persons designated by the commissioner shall evaluate the patient, consider possible dispositions, and file a written disposition report with the committing court. If the person is in the custody of the commissioner of corrections when the commitment is ordered under paragraph (c), the written disposition report must be filed no later than 60 days after the person is admitted to the secure treatment facility. The commissioner may request that the court grant an extension of the 60-day deadline, which may be granted for good cause after opportunity for objection by the patient and the county attorney. The disposition report shall recommend whether the person should be placed on strict and intensive supervision and treatment or in a secure treatment facility. If the recommendation is for placement on strict and intensive supervision and treatment, the report shall specifically describe the conditions that the program determines would be best suited to meet the person's treatment needs and the requirements of public safety. Within 30 days after receiving the disposition report, unless otherwise agreed by the parties, the court shall hold a hearing to make a final determination as to the appropriate disposition of the case. If the disposition report recommends placement on strict and intensive supervision and treatment, either party or the court may request the court examiners to address the sufficiency and conditions of the plan.~~



(e) After a final determination that a patient is a sexually dangerous person or sexual psychopathic personality, the court shall order commitment for an indeterminate period of time and the patient shall be transferred, provisionally discharged, or discharged, only as provided in this section.

Sec. 2. Minnesota Statutes 2012, section 253B.185, is amended by adding a subdivision to read:

Subd. 1c. **Strict and intensive supervision and treatment.** (a) If a specific plan for strict and intensive supervision and treatment is proposed, the court shall commit the person to strict and intensive supervision and treatment unless the petitioner proves by a preponderance of the evidence that the plan is not sufficient to meet the person's treatment needs or the requirements of public safety.

(b) If the court finds that strict and intensive supervision and treatment is appropriate, the court shall notify the Minnesota sex offender program, which must prepare a plan that identifies the treatment and services for the patient including recommendations regarding the conditions of strict and intensive supervision and treatment. The plan must be presented to the court for its approval within 60 days after the court finds that strict and intensive supervision and treatment is appropriate, unless the program or the patient request additional time to develop the plan and the court determines there is good cause to allow an extension for a specified period.

(c) An order for strict and intensive supervision and treatment places the patient in the custody and control of the commissioner of human services for the provision of treatment, services, and supervision under the Minnesota sex offender program and the patient is subject to the conditions set by the court and the program, which must ensure the safety of the public while meeting the treatment needs of the civilly committed patient.

(d) If the program determines that a patient under this subdivision has violated a condition under paragraph (c) or is exhibiting behavior that may be dangerous to self or others or that the interests of public safety require that strict and intensive supervision and treatment placement be revoked, the program may request the court to issue an emergency ex parte order directing a law enforcement agency to take the person into custody and transport the person to a Department of Corrections or county correctional or detention facility or a secure treatment facility. The county attorney or the program shall submit a statement showing probable cause for the detention and submit a petition to revoke the strict and intensive supervision and treatment order within 48 hours after the detention. The court shall hear the petition within 30 days, unless the hearing or deadline is waived by the patient. If the court determines that a condition of the strict and intensive supervision and treatment placement has been violated or that the safety of the patient or others requires that the strict and intensive supervision and treatment placement be revoked, the court shall revoke the strict and intensive supervision and treatment placement and order an appropriate commitment placement under this section.

(e) This subdivision does not affect or replace any applicable registration requirements under section 243.166 or notice requirements under sections 244.052 and 244.053.

Sec. 3. Minnesota Statutes 2012, section 253B.185, is amended by adding a subdivision to read:

Subd. 9a. **Annual review of placement level.** (a) The commissioner shall appoint an examiner to conduct a reexamination of the mental condition of a person committed under this section within 12 months after the date of the initial commitment order and again thereafter at least once each 12 months to determine whether the person has made sufficient progress for the judicial appeal panel to consider whether the person's placement should be modified. At the time of a reexamination under this section, the person who has been committed may retain or have the commissioner appoint an examiner.

(b) Any examiner conducting a reexamination under paragraph (a) shall prepare a written report of the reexamination no later than 30 days after the date of the reexamination. The report must examine and assess the patient's:

(1) progress toward treatment goals;

(2) risk to the public; and

(3) suitability for an alternative placement that balances the patient's continued treatment needs and public safety. The examiner shall provide a copy of the report to the county attorneys of the committing county and the county of financial responsibility, the commissioner, and the judicial appeal panel.

(c) Notwithstanding paragraph (a), the court that committed a person under this section may order a reexamination of the person at any time during the period in which the person is subject to the commitment order. The reexamination shall then be conducted pursuant to this subdivision.

(d) At any reexamination under paragraph (a), the treating professional shall prepare a treatment progress report. The treating professional shall provide a copy of the treatment progress report to the commissioner. The treatment progress report shall consider all of the following:

(1) the specific factors associated with the person's risk for committing another sexually violent offense;

(2) whether the person has made significant progress in treatment or has refused treatment;

(3) the ongoing treatment needs of the person; and

(4) any specialized needs or conditions associated with the person that must be considered in future treatment planning.

(e) Any examiners under paragraph (a) and treating professionals under paragraph (d) shall have reasonable access to the person for purposes of reexamination, to the person's past and present treatment records, and to the person's patient health care records.

(f) The commissioner shall submit an annual report comprised of the reexamination report under paragraph (a) and the treatment progress report under paragraph (d) to the judicial appeal panel. A copy of the annual report shall be placed in the person's treatment records. The commissioner shall provide a copy of the annual report to the patient and the county attorneys of the committing county and the county of financial responsibility. The panel shall provide a copy of the annual report to the patient's attorney as soon as the attorney is retained or appointed.

(g) If a person committed under this section is incarcerated for a new criminal charge or conviction, any reporting requirement under paragraphs (a), (d), or (f) does not apply during the incarceration period. A court may order a reexamination of the person under paragraph (c) if the court finds reexamination to be necessary. The required reports shall be due 12 months after the person is returned to the custody and control of the commissioner of human services under the Minnesota sex offender program.

(h) Failure to complete or file any required report within the specified time period does not affect the validity of the person's continuing commitment."

Delete the title and insert:

"A bill for an act relating to human services; providing for a prevention of sexual violence working group; modifying provisions related to the Minnesota sex offender program; providing for sexual violence prevention demonstration grants; requiring a public education campaign; modifying the Civil Commitment Act; providing for a report; appropriating money; amending Minnesota Statutes 2012, section 253B.185, subdivision 1, by adding subdivisions."

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

The report was adopted.

Mariani from the Committee on Education Policy to which was referred:

H. F. No. 1151, A bill for an act relating to education; modifying policies for early childhood through grade 12 education, including general education, education excellence, special programs, libraries, and early childhood education; authorizing rulemaking; amending Minnesota Statutes 2012, sections 15.059, subdivision 5b; 120A.41; 120B.02; 120B.021, subdivision 1; 120B.023; 120B.024; 120B.15; 120B.30, subdivision 1; 120B.31, subdivision 1; 123B.88, subdivision 22; 124D.10; 124D.122; 124D.79, subdivision 1, by adding a subdivision; 125A.27, subdivisions 8, 11, 14; 125A.28; 125A.29; 125A.30; 125A.32; 125A.33; 125A.35, subdivision 1; 125A.36; 125A.43; 126C.10, subdivision 14; 260A.02, subdivision 3; 260A.03; 260A.05, subdivision 1; 260A.07, subdivision 1; Laws 2011, First Special Session chapter 11, article 7, section 2, subdivision 8, as amended; proposing coding for new law in Minnesota Statutes, chapters 120B; 124D; repealing Minnesota Statutes 2012, section 125A.35, subdivisions 4, 5; Minnesota Rules, parts 3501.0505; 3501.0510; 3501.0515; 3501.0520; 3501.0525; 3501.0530; 3501.0535; 3501.0540; 3501.0545; 3501.0550.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1  
STUDENT ACCOUNTABILITY

Section 1. **[120B.018] DEFINITIONS.**

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

Subd. 2. **Academic standard.** "Academic standard" means a summary description of student learning in a required content area under section 120B.021 or elective content area under section 120B.022.

Subd. 3. **Career and college ready benchmark.** "Career and college ready benchmark" means specific knowledge or skill that a student must attain to complete part of an academic standard.

Subd. 4. **Credit.** "Credit" means the determination by the local school district that a student successfully completed an academic year of study or demonstrated attainment of applicable subject matter.

Subd. 5. **Elective standard.** "Elective standard" means a locally adopted expectation for student learning in career and technical education or world languages.

Subd. 6. **Required standard.** "Required standard" means (1) a statewide adopted expectation for student learning in the content areas of language arts, mathematics, science, social studies, physical education, and the arts or (2) a locally adopted expectation for student learning in health or the arts.

Subd. 7. **School site.** "School site" means a separate facility, or a separate program within a facility that a local school board recognizes as a school site for funding purposes.

Sec. 2. Minnesota Statutes 2012, section 120B.02, is amended to read:

**120B.02 EDUCATIONAL EXPECTATIONS AND GRADUATION REQUIREMENTS FOR MINNESOTA'S STUDENTS.**

Subdivision 1. **Educational expectations.** (a) The legislature is committed to establishing rigorous academic standards for Minnesota's public school students. To that end, the commissioner shall adopt in rule statewide academic standards. The commissioner shall not prescribe in rule or otherwise the delivery system, classroom assessments, or form of instruction that school sites must use. ~~For purposes of this chapter, a school site is a separate facility, or a separate program within a facility that a local school board recognizes as a school site for funding purposes.~~

(b) All commissioner actions regarding the rule must be premised on the following:

(1) the rule is intended to raise academic expectations for students, teachers, and schools;

(2) any state action regarding the rule must evidence consideration of school district autonomy; and

(3) the Department of Education, with the assistance of school districts, must make available information about all state initiatives related to the rule to students and parents, teachers, and the general public in a timely format that is appropriate, comprehensive, and readily understandable.

~~(c) When fully implemented, the requirements for high school graduation in Minnesota must require students to satisfactorily complete, as determined by the school district, the course credit requirements under section 120B.024, all state academic standards or local academic standards where state standards do not apply, and successfully pass graduation examinations as required under section 120B.30.~~

~~(d)~~ (c) The commissioner shall periodically review and report on the state's assessment process.

~~(e)~~ (d) School districts are not required to adopt specific provisions of the federal School-to-Work programs.

Subd. 2. **Graduation requirements.** The state minimum requirements for high school graduation are satisfactorily completing the credit requirements under section 120B.024, as determined by the school district, and demonstrating attainment of required academic standards and career and college readiness benchmarks on a nationally normed college entrance exam under section 120B.30. A school district must adopt graduation requirements that meet or exceed state graduation requirements established in law or rule.

**EFFECTIVE DATE.** This section is effective August 1, 2013, and applies to students entering 9th grade in the 2013-2014 school year and later.

Sec. 3. Minnesota Statutes 2012, section 120B.021, subdivision 1, is amended to read:

Subdivision 1. **Required academic standards.** (a) The following subject areas are required for statewide accountability:

(1) language arts;

(2) mathematics;

(3) science;

(4) social studies, ~~including history, geography, economics, and government and citizenship;~~

(5) physical education;

(6) health, for which locally developed academic standards apply; and

(7) the arts, for which statewide or locally developed academic standards apply, as determined by the school district. Public elementary and middle schools must offer at least three and require at least two of the following four arts areas: dance; music; theater; and visual arts. Public high schools must offer at least three and require at least one of the following five arts areas: media arts; dance; music; theater; and visual arts.

~~The commissioner must submit proposed standards in science and social studies to the legislature by February 1, 2004.~~

(b) For purposes of applicable federal law, the academic standards for language arts, mathematics, and science apply to all public school students, except the very few students with extreme cognitive or physical impairments for whom an individualized education program team has determined that the required academic standards are inappropriate. An individualized education program team that makes this determination must establish alternative standards.

~~A school district, no later than the 2007-2008 school year, must adopt graduation requirements that meet or exceed state graduation requirements established in law or rule. A school district that incorporates these state graduation requirements before the 2007-2008 school year must provide students who enter the 9th grade in or before the 2003-2004 school year the opportunity to earn a diploma based on existing locally established graduation requirements in effect when the students entered the 9th grade.~~ (c) District efforts to develop, implement, or improve instruction or curriculum as a result of the provisions of this section must be consistent with sections 120B.10, 120B.11, and 120B.20.

~~The commissioner must include the contributions of Minnesota American Indian tribes and communities as they relate to the academic standards during the review and revision of the required academic standards.~~

Sec. 4. Minnesota Statutes 2012, section 120B.023, is amended to read:

#### **120B.023 BENCHMARKS.**

Subdivision 1. **Benchmarks implement, supplement statewide academic standards.** (a) The commissioner must supplement required state academic standards with grade-level benchmarks. High school benchmarks may cover more than one grade. ~~The benchmarks must implement statewide academic standards by specifying the academic knowledge and skills that Schools must offer and students must achieve~~ all benchmarks for an academic standard to satisfactorily complete a that state standard. ~~The commissioner must publish benchmarks to inform and guide parents, teachers, school districts, and other interested persons and to use in developing tests consistent with the benchmarks.~~

(b) The commissioner shall publish benchmarks in the State Register and transmit the benchmarks in any other manner that informs and guides parents, teachers, school districts, and other interested persons and makes them accessible to the general public. The commissioner must use benchmarks in developing career and college readiness assessments under section 120B.30. The commissioner may charge a reasonable fee for publications.

(c) Once established, the commissioner may change the benchmarks only with specific legislative authorization and after completing a review under subdivision 2.

~~(d) The commissioner must develop and implement a system for reviewing each of the required academic standards and related benchmarks and elective standards on a periodic cycle, consistent with subdivision 2.~~

~~(e)~~ (d) The benchmarks are not subject to chapter 14 and section 14.386 does not apply.

Subd. 2. **Revisions and reviews required.** (a) The commissioner of education must revise and appropriately embed technology and information literacy standards consistent with recommendations from school media specialists into the state's academic standards and graduation requirements and implement a review cycle for state academic standards and related benchmarks, consistent with this subdivision. During each review cycle, the commissioner also must examine the alignment of each required academic standard and related benchmark with the knowledge and skills students need for college readiness and advanced work in the particular subject area. The commissioner must include the contributions of Minnesota American Indian tribes and communities as related to the academic standards during the review and revision of the required academic standards.

~~(b) The commissioner in the 2006-2007 school year must revise and align the state's academic standards and high school graduation requirements in mathematics to require that students satisfactorily complete the revised mathematics standards, beginning in the 2010-2011 school year. Under the revised standards:~~

~~(1) students must satisfactorily complete an algebra I credit by the end of eighth grade; and~~

~~(2) students scheduled to graduate in the 2014-2015 school year or later must satisfactorily complete an algebra II credit or its equivalent.~~

(b) The commissioner ~~also~~ must ensure that the statewide mathematics assessments administered to students in grades 3 through 8 and 11 are aligned with the state academic standards in mathematics, consistent with section 120B.30, subdivision 1, paragraph (b). The commissioner must implement a review of the academic standards and related benchmarks in mathematics beginning in the 2015-2016 school year.

~~(c) The commissioner in the 2007-2008 school year must revise and align the state's academic standards and high school graduation requirements in the arts to require that students satisfactorily complete the revised arts standards beginning in the 2010-2011 school year. The commissioner must implement a review of the academic standards and related benchmarks in arts beginning in the 2016-2017 school year.~~

~~(d) The commissioner in the 2008-2009 school year must revise and align the state's academic standards and high school graduation requirements in science to require that students satisfactorily complete the revised science standards, beginning in the 2011-2012 school year. Under the revised standards, students scheduled to graduate in the 2014-2015 school year or later must satisfactorily complete a chemistry or physics credit or a career and technical education credit that meets standards underlying the chemistry, physics, or biology credit or a combination of those standards approved by the district. The commissioner must implement a review of the academic standards and related benchmarks in science beginning in the 2017-2018 school year.~~

~~(e) The commissioner in the 2009-2010 school year must revise and align the state's academic standards and high school graduation requirements in language arts to require that students satisfactorily complete the revised language arts standards beginning in the 2012-2013 school year. The commissioner must implement a review of the academic standards and related benchmarks in language arts beginning in the 2018-2019 school year.~~

(f) The commissioner in the 2010-2011 school year must revise and align the state's academic standards and high school graduation requirements in social studies to require that students satisfactorily complete the revised social studies standards beginning in the 2013-2014 school year. The commissioner must implement a review of the academic standards and related benchmarks in social studies beginning in the 2019-2020 school year.

(g) School districts and charter schools must revise and align local academic standards and high school graduation requirements in health, world languages, and career and technical education to require students to complete the revised standards beginning in a school year determined by the school district or charter school. School districts and charter schools must formally establish a periodic review cycle for the academic standards and related benchmarks in health, world languages, and career and technical education.

Sec. 5. Minnesota Statutes 2012, section 120B.024, is amended to read:

**120B.024 GRADUATION REQUIREMENTS; COURSE CREDITS.**

Subdivision 1. Graduation requirements. ~~(a)~~ Students beginning 9th grade in the 2011-2012 school year and later must successfully complete the following high school level ~~course~~ credits for graduation:

(1) four credits of language arts sufficient to satisfy all of the academic standards in English language arts;

(2) three credits of mathematics, ~~encompassing at least algebra, geometry, statistics, and probability including an algebra II credit or its equivalent,~~ sufficient to satisfy all of the academic standards in mathematics;

(3) an algebra I credit by the end of 8th grade sufficient to satisfy all of the 8th grade standards in mathematics;

~~(3)~~ (4) three credits of science, including at least: (i) one credit in biology; and (ii) one chemistry or physics credit or a career and technical education credit that meets standards underlying the chemistry, physics, or biology credit or a combination of those standards approved by the district, but meeting biology standards under this item does not meet the biology requirement under item (i);

~~(4)~~ (5) three and one-half credits of social studies, encompassing at least United States history, geography, government and citizenship, world history, and economics or three credits of social studies encompassing at least United States history, geography, government and citizenship, and world history, and one-half credit of economics taught in a school's social studies, agriculture education, or business department sufficient to satisfy all of the academic standards in social studies;

~~(5)~~ (6) one credit ~~in~~ of the arts sufficient to satisfy all of the state or local academic standards in the arts; and

~~(6)~~ (7) a minimum of seven elective ~~course~~ credits.

~~A course credit is equivalent to a student successfully completing an academic year of study or a student mastering the applicable subject matter, as determined by the local school district.~~

**Subd. 2. Credit equivalencies.** (a) A one-half credit of economics taught in a school's agriculture education or business department may fulfill a one-half credit in social studies under subdivision 1, clause (5), if the credit is sufficient to satisfy all of the academic standards in economics.

(b) An agriculture science course may fulfill a science credit requirement other than the specified science credit in biology under ~~paragraph (a)~~ subdivision 1, clause (3) (4).

(c) A career and technical education course may fulfill a mathematics or arts credit requirement or a science credit requirement other than the specified science credit in biology under ~~paragraph (a)~~ subdivision 1, clause (2), (3), or (5) (4), or (6).

**EFFECTIVE DATE.** This section is effective August 1, 2013, and applies to students entering 9th grade in the 2013-2014 school year and later.

Sec. 6. Minnesota Statutes 2012, section 120B.125, is amended to read:

**120B.125 PLANNING FOR STUDENTS' SUCCESSFUL TRANSITION TO POSTSECONDARY EDUCATION AND EMPLOYMENT; INVOLUNTARY CAREER TRACKING PROHIBITED.**

(a) Consistent with sections 120B.128, 120B.13, 120B.131, 120B.132, 120B.14, 120B.15, 120B.30, subdivision 1, paragraph (c), 125A.08, and other related sections, school districts are strongly encouraged to, beginning in the 2013-2014 school year, must assist all students by no later than grade 9 to explore their college and career interests and aspirations and develop a plan for a smooth and successful transition to postsecondary education or employment. All students' plans must be designed to:

(1) provide a comprehensive academic plan for completing a college and career-ready curriculum premised on meeting state and local academic standards and developing 21st century skills such as team work, collaboration, and good work habits;

- (2) emphasize academic rigor and high expectations;
  - (3) help students identify personal learning styles that may affect their postsecondary education and employment choices;
  - (4) help students ~~succeed at gaining~~ gain access to postsecondary education and career options;
  - (5) integrate strong academic content into career-focused courses and integrate relevant career-focused courses into strong academic content;
  - (6) help students and families identify and gain access to appropriate counseling and other supports and assistance that enable students to complete required coursework, prepare for postsecondary education and careers, and obtain information about postsecondary education costs and eligibility for financial aid and scholarship;
  - (7) help students and families identify collaborative partnerships of kindergarten through grade 12 schools, postsecondary institutions, economic development agencies, and employers that support students' transition to postsecondary education and employment and provide students with experiential learning opportunities; and
  - (8) be reviewed and revised at least annually by the student, the student's parent or guardian, and the school or district to ensure that the student's course-taking schedule keeps the student "~~on track~~" making adequate progress to meet state and local high school graduation requirements and with a reasonable chance to succeed with employment or postsecondary education without the need to first complete remedial course work.
- (b) A school district may develop grade-level curricula or provide instruction that introduces students to various careers, but must not require any curriculum, instruction, or employment-related activity that obligates an elementary or secondary student to involuntarily select a career, career interest, employment goals, or related job training.
- ~~(c) School districts are encouraged to seek and use revenue and in-kind contributions from nonstate sources and to seek administrative cost savings through innovative local funding arrangements, such as the Collaboration Among Rochester Educators (CARE) model for funding postsecondary enrollment options, among other sources, for purposes of implementing this section.~~

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

Sec. 7. Minnesota Statutes 2012, section 120B.128, is amended to read:

**120B.128 EDUCATIONAL PLANNING AND ASSESSMENT SYSTEM (EPAS) PROGRAM.**

- (a) School districts and charter schools may elect to participate in the Educational Planning and Assessment System (EPAS) program offered by ACT, Inc. to provide a longitudinal, systematic approach to student educational and career planning, assessment, instructional support, and evaluation. The EPAS achievement tests include English, reading, mathematics, science, and components on planning for high school and postsecondary education, interest inventory, needs assessments, and student education plans. These tests are linked to the ACT assessment for college admission and allow students, parents, teachers, and schools to determine the student's college readiness before grades 11 and 12.
- (b) The commissioner of education shall provide ACT Explore tests for students in grade 8 and the ACT Plan test for students in grade 10 to assess individual student academic strengths and weaknesses, academic achievement and progress, higher order thinking skills, and college readiness.



(c) Students entering grade 9 before the 2013-2014 school year who have not yet demonstrated proficiency on the Minnesota comprehensive assessments, the graduation-required assessments for diploma, or the basic skills testing requirements may satisfy state high school graduation requirements for assessments in reading, mathematics, and writing by taking the ACT assessment for college admission prior to high school graduation.

(d) The state shall pay the test costs for school districts and charter schools that choose to participate in the EPAS program to participate in the assessments under this section. The commissioner shall establish an application procedure and a process for state payment of costs.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies through the 2015-2016 school year.

Sec. 8. Minnesota Statutes 2012, section 120B.15, is amended to read:

**120B.15 GIFTED AND TALENTED STUDENTS PROGRAMS.**

(a) School districts may identify students, locally develop programs addressing instructional and affective needs, provide staff development, and evaluate programs to provide gifted and talented students with challenging and appropriate educational programs.

(b) School districts ~~may~~ must adopt guidelines for assessing and identifying students for participation in gifted and talented programs. The guidelines should include the use of:

(1) multiple and objective criteria; and

(2) assessments and procedures that are valid and reliable, fair, and based on current theory and research. Assessments and procedures should be sensitive to underrepresented groups, including, but not limited to, low-income, minority, twice-exceptional, and English learners.

(c) School districts must adopt procedures for the academic acceleration of gifted and talented students. These procedures must include how the district will:

(1) assess a student's readiness and motivation for acceleration; and

(2) match the level, complexity, and pace of the curriculum to a student to achieve the best type of academic acceleration for that student.

(d) School districts must adopt procedures for early admission to kindergarten or first grade of gifted and talented learners. The procedures must be sensitive to underrepresented groups and must address how the district or charter school will:

(1) assess a child's readiness and motivation for accelerations;

(2) assess a child's cognitive abilities, achievement, and performance; and

(3) monitor the child's adjustment postacceleration.

The school district shall admit a gifted and talented child to kindergarten or first grade who fails to meet the age requirement under section 120A.20, subdivision 1, paragraph (b), provided the child completes the procedures and meets the criteria for early entrance adopted by the school board under this subdivision.

Sec. 9. **[120B.21] MENTAL HEALTH EDUCATION.**

School districts and charter schools are encouraged to provide mental health instruction for students in grades 6 through 12 aligned with local health standards and integrated into existing programs, curriculum, or the general school environment of a district or charter school. The commissioner, in consultation with the commissioner of human services and mental health organizations, is encouraged to provide districts and charter schools with:

(1) age-appropriate model learning activities for grades 6 through 12 that encompass the mental health components of the National Health Education Standards and the benchmarks developed by the department's quality teaching network in health and best practices in mental health education; and

(2) a directory of resources for planning and implementing age-appropriate mental health curriculum and instruction in grades 6 through 12.

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

Sec. 10. Minnesota Statutes 2012, section 120B.30, subdivision 1, is amended to read:

Subdivision 1. **Statewide testing.** (a) The commissioner, with advice from experts with appropriate technical qualifications and experience and stakeholders, consistent with subdivision 1a, shall include in the comprehensive assessment system, for each grade level to be tested, state-constructed tests developed ~~from and~~ as computer-adaptive reading and mathematics assessments for students that are aligned with the state's required academic standards under section 120B.021, include multiple choice questions, and ~~be~~ are administered annually to all students in grades 3 through ~~8~~ 7. State-developed high school tests aligned with the state's required academic standards under section 120B.021 and administered to all high school students in a subject other than writing must include multiple choice questions. The commissioner shall establish one or more months during which schools shall administer the tests to students each school year. ~~For students enrolled in grade 8 before the 2005-2006 school year, Minnesota basic skills tests in reading, mathematics, and writing shall fulfill students' basic skills testing requirements for a passing state notation. The passing scores of basic skills tests in reading and mathematics are the equivalent of 75 percent correct for students entering grade 9 based on the first uniform test administered in February 1998. Students who have not successfully passed a Minnesota basic skills test by the end of the 2011-2012 school year must pass and students in their senior year who have not yet demonstrated proficiency on the graduation-required assessments for diploma under paragraph (c), except that for the 2012-2013 and 2013-2014 school years only, these students may satisfy the state's graduation test requirement for math by complying with paragraph (d), clauses (1) and (3) by the end of the 2012-2013 school year must take a college admission assessment under paragraph (c) and consistent with section 120B.128, paragraph (c), that supports career and college readiness for all students, or the student may choose to instead take a nationally recognized armed services vocational aptitude test.~~

(b) The state assessment system must be aligned to the most recent revision of academic standards as described in section 120B.023 in the following manner:

(1) mathematics;

(i) grades 3 through 8 beginning in the 2010-2011 school year; and

(ii) high school level beginning in the 2013-2014 school year;

(2) science; grades 5 and 8 and at the high school level beginning in the 2011-2012 school year; and

(3) language arts and reading; grades 3 through 8 and high school level beginning in the 2012-2013 school year.

(c) For students enrolled in grade 8 in the ~~2005-2006~~ 2012-2013 school year and later, ~~only the following options shall fulfill students' state graduation test requirements, based on a longitudinal, systematic approach to student education and career planning, assessment, instructional support, and evaluation, include the following:~~

~~(1) for reading and mathematics:~~

~~(i) obtaining an achievement level equivalent to or greater than proficient as determined through a standard setting process on the Minnesota comprehensive assessments in grade 10 for reading and grade 11 for mathematics or achieving a passing score as determined through a standard setting process on the graduation required assessment for diploma in grade 10 for reading and grade 11 for mathematics or subsequent retests;~~

~~(ii) achieving a passing score as determined through a standard setting process on the state identified language proficiency test in reading and the mathematics test for English learners or the graduation required assessment for diploma equivalent of those assessments for students designated as English learners;~~

~~(iii) achieving an individual passing score on the graduation required assessment for diploma as determined by appropriate state guidelines for students with an individualized education program or 504 plan;~~

~~(iv) obtaining achievement level equivalent to or greater than proficient as determined through a standard setting process on the state identified alternate assessment or assessments in grade 10 for reading and grade 11 for mathematics for students with an individualized education program; or~~

~~(v) achieving an individual passing score on the state identified alternate assessment or assessments as determined by appropriate state guidelines for students with an individualized education program; and~~

~~(2) for writing:~~

~~(i) achieving a passing score on the graduation required assessment for diploma;~~

~~(ii) achieving a passing score as determined through a standard setting process on the state identified language proficiency test in writing for students designated as English learners;~~

~~(iii) achieving an individual passing score on the graduation required assessment for diploma as determined by appropriate state guidelines for students with an individualized education program or 504 plan; or~~

~~(iv) achieving an individual passing score on the state identified alternate assessment or assessments as determined by appropriate state guidelines for students with an individualized education program.~~

(1) attainment of required academic standards and career and college readiness benchmarks under section 120B.023 as demonstrated on a nationally normed college entrance exam, or taking a nationally recognized armed services vocational aptitude test at the election of the student;

(2) achievement and career and college readiness tests in mathematics, reading, and writing, consistent with paragraph (e), to monitor students' continuous development of and growth in requisite knowledge and skills; analyze students' progress and performance levels, identifying students' academic strengths and diagnosing areas where students require curriculum or instructional adjustments, targeted interventions, or remediation; and based on analysis of students' progress and performance data, determine students' learning and instructional needs and the instructional tools and best practices that support academic rigor for the student; and

(3) consistent with this paragraph and section 120B.125, age-appropriate exploration and planning activities and career assessments to encourage students to identify personally relevant career interests and aptitudes and help students and their families develop a regularly reexamined transition plan for postsecondary education or employment without need for postsecondary remediation.

Expectations of schools, districts, and the state for career or college readiness under this subdivision must be comparable in rigor, clarity of purpose, and rates of student completion. A student under clause (2) must receive targeted, relevant, academically rigorous, and resourced instruction, which may include a targeted instruction and intervention plan focused on improving the student's knowledge and skills in core subjects so that the student has a reasonable chance to succeed in a career or college without need for postsecondary remediation. Consistent with sections 120B.13, 124D.09, 124D.091, 124D.49, and related sections, an enrolling school or district must actively encourage a student in grade 11 or 12 who is identified as academically ready for a career or college to participate in courses and programs awarding college credit to high school students. Students are not required to achieve a specified score or level of proficiency on an assessment under this subdivision to graduate from high school.

(d) ~~Students enrolled in grade 8 in any school year from the 2005-2006 school year to the 2009-2010 school year who do not pass the mathematics graduation required assessment for diploma under paragraph (c) are eligible to receive a high school diploma if they:~~

~~(1) complete with a passing score or grade all state and local coursework and credits required for graduation by the school board granting the students their diploma;~~

~~(2) participate in district-prescribed academic remediation in mathematics; and~~

~~(3) fully participate in at least two retests of the mathematics GRAD test or until they pass the mathematics GRAD test, whichever comes first. To improve the secondary and postsecondary outcomes of all students, the alignment between secondary and postsecondary education programs and Minnesota's workforce needs, and the efficiency and cost-effectiveness of secondary and postsecondary programs, the commissioner, after consulting with the Minnesota State Colleges and Universities chancellor and using a request for proposal process, shall contract for a series of assessments that are consistent with this subdivision, aligned with state academic standards, and include career and college readiness benchmarks. Mathematics, reading, and writing assessments for students in grades 8 and 10 must be predictive of and aligned with a nationally normed assessment for career and college readiness. This nationally recognized assessment must be a college entrance exam and given to students in grade 11 or 12. This series of assessments must include a college placement diagnostic exam and contain career exploration elements. Students in grade 11 or 12 may choose to take a nationally recognized armed services vocational aptitude test as an alternative to the college and career readiness entrance exam under this paragraph. The commissioner and the Minnesota State Colleges and Universities chancellor must collaborate in aligning instruction and assessments for adult basic education students to provide the students with diagnostic information about any targeted interventions they need so that they may seek postsecondary education or employment without need for postsecondary remediation.~~

~~(1) Districts and schools, on an annual basis, must use the career exploration elements in these assessments to help students, beginning no later than grade 9, and their families explore and plan for postsecondary education or careers based on the students' interests, aptitudes, and aspirations. Districts and schools must use timely regional labor market information and partnerships, among other resources, to help students and their families successfully develop, pursue, review, and revise an individualized plan for postsecondary education or a career. This process must help increase students' engagement in and connection to school, improve students' knowledge and skills, and deepen students' understanding of career pathways as a sequence of academic and career courses that lead to an industry-recognized credential, an associate's degree, or a bachelor's degree and are available to all students, whatever their interests and career goals.~~

~~(2) Students who, based on their growth in academic achievement between grades 8 and 10, show adequate progress toward meeting state career and college readiness must be given the college entrance exam part of these assessments in grade 11 or a nationally recognized armed services vocational aptitude test. A student under this clause who demonstrates attainment of required state academic standards, which include career and college readiness benchmarks, on these assessments is academically ready for a career or college and is encouraged to~~

participate in courses and programs awarding college credit to high school students. Such courses and programs may include sequential courses of study within broad career areas and technical skill assessments that extend beyond course grades.

(3) All students in grade 11 not subject to clause (2) must be given the college placement diagnostic exam so that the students, their families, the school, and the district can use the results to diagnose areas for targeted instruction, intervention, or remediation and improve students' knowledge and skills in core subjects sufficient for the student to graduate and have a reasonable chance to succeed in a career or college without remediation. These students must be given the college entrance exam part of these assessments in grade 12 or a nationally recognized armed services vocational aptitude test.

(4) A student in clause (3) who demonstrates (i) attainment of required state academic standards, which include career and college readiness benchmarks, on these assessments, (ii) attainment of career and college readiness benchmarks on the college placement diagnostic part of these assessments, and, where applicable, (iii) successfully completes targeted instruction, intervention, or remediation approved by the commissioner and the Minnesota State Colleges and Universities chancellor after consulting with local school officials and educators, is academically ready for a career or college and is encouraged to participate in courses and programs awarding college credit to high school students. Such courses and programs may include sequential courses of study within broad career areas and technical skill assessments that extend beyond course grades.

(5) A study to determine the alignment between these assessments and state academic standards under this chapter must be conducted. Where alignment exists, the commissioner must seek federal approval to, and immediately upon receiving approval replace the federally required assessments referenced under subdivision 1a and section 120B.35, subdivision 2, with assessments under this paragraph.

(e) In developing, supporting, and improving students' academic readiness for a career or college, schools, districts, and the state must have a continuum of empirically derived, clearly defined benchmarks focused on students' attainment of knowledge and skills so that students, their parents, and teachers know how well students must perform to have a reasonable chance to succeed in a career or college without need for postsecondary remediation. The commissioner and Minnesota's public postsecondary institutions must ensure that the foundational knowledge and skills for students' successful performance in postsecondary employment or education and an articulated series of possible targeted interventions are clearly identified and satisfy Minnesota's postsecondary admissions requirements.

(f) A school, district, or charter school must ~~place record~~ on the high school transcript a student's ~~current pass status for each subject that has a required graduation assessment~~ progress toward career and college readiness.

~~In addition,~~ (g) The school board granting the students their diplomas may formally decide to include a notation of high achievement on the high school diplomas of those graduating seniors who, according to established school board criteria, demonstrate exemplary academic achievement during high school.

~~(e)~~ (h) The 3rd through ~~8th~~ 7th grade computer-adaptive assessment results and high school test results shall be available to districts for diagnostic purposes affecting student learning and district instruction and curriculum, and for establishing educational accountability. The commissioner must establish empirically derived benchmarks on adaptive assessments in grades 3 through 7 that reveal a trajectory toward career and college readiness. The commissioner must disseminate to the public the computer-adaptive assessments and high school test results upon receiving those results.

~~(f)~~ (i) The 3rd through ~~8th~~ 7th grade computer-adaptive assessments and high school tests must be aligned with state academic standards. The commissioner shall determine the testing process and the order of administration. The statewide results shall be aggregated at the site and district level, consistent with subdivision 1a.

~~(g) In addition to the testing and reporting requirements under this section,~~ (j) The commissioner shall include the following components in the statewide public reporting system:

(1) uniform statewide ~~testing~~ computer-adaptive assessments of all students in grades 3 through ~~8~~ 7 and testing at the high school level that provides appropriate, technically sound accommodations ~~or alternate assessments~~;

(2) educational indicators that can be aggregated and compared across school districts and across time on a statewide basis, including average daily attendance, high school graduation rates, and high school drop-out rates by age and grade level;

(3) state results on the American College Test; and

(4) state results from participation in the National Assessment of Educational Progress so that the state can benchmark its performance against the nation and other states, and, where possible, against other countries, and contribute to the national effort to monitor achievement.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to the 2013-2014 school year and later except that paragraph (a) applies the day following final enactment and the requirements for using computer-adaptive mathematics and reading assessments for grades 3 through 7 apply in the 2015-2016 school year and later.

Sec. 11. Minnesota Statutes 2012, section 120B.30, subdivision 1a, is amended to read:

Subd. 1a. **Statewide and local assessments; results.** (a) For purposes of this section, the following definitions have the meanings given them.

(1) "Computer-adaptive assessments" means fully adaptive assessments.

(2) "Fully adaptive assessments" include test items that are on-grade level and items that may be above or below a student's grade level.

(3) "On-grade level" test items contain subject area content that is aligned to state academic standards for the grade level of the student taking the assessment.

(4) "Above-grade level" test items contain subject area content that is above the grade level of the student taking the assessment and is considered aligned with state academic standards to the extent it is aligned with content represented in state academic standards above the grade level of the student taking the assessment. Notwithstanding the student's grade level, administering above-grade level test items to a student does not violate the requirement that state assessments must be aligned with state standards.

(5) "Below-grade level" test items contain subject area content that is below the grade level of the student taking the test and is considered aligned with state academic standards to the extent it is aligned with content represented in state academic standards below the student's current grade level. Notwithstanding the student's grade level, administering below-grade level test items to a student does not violate the requirement that state assessments must be aligned with state standards.

(b) The commissioner must use fully adaptive mathematics and reading assessments for grades 3 through 7 beginning in the 2015-2016 school year and later.

(c) For purposes of conforming with existing federal educational accountability requirements, the commissioner must develop and implement computer-adaptive reading and mathematics assessments for grades 3 through ~~8~~ 7, state-developed high school reading and mathematics tests aligned with state academic standards, and science

assessments under clause (2) that districts and sites must use to monitor student growth toward achieving those standards. The commissioner must not develop statewide assessments for academic standards in social studies, health and physical education, and the arts. The commissioner must require:

(1) annual computer-adaptive reading and mathematics assessments in grades 3 through ~~8~~ 7, and high school reading and mathematics tests; and

(2) annual science assessments in one grade in the grades 3 through 5 span, the grades 6 through 8 span, and a life sciences assessment in the grades 9 through 12 span, and the commissioner must not require students to achieve a passing score on high school science assessments as a condition of receiving a high school diploma.

(d) The commissioner must ensure that for annual computer-adaptive assessments:

(1) individual student performance data and achievement reports are available within three school days of when students take an assessment;

(2) growth information is available for each student from the student's first assessment to each proximate assessment using a constant measurement scale;

(3) parents, teachers, and school administrators are able to use elementary and middle school student performance data to project students' secondary and postsecondary achievement; and

(4) useful diagnostic information about areas of students' academic strengths and weaknesses is available to teachers and school administrators for improving student instruction and indicating the specific skills and concepts that should be introduced and developed for students at given performance levels, organized by strands within subject areas, and aligned to state academic standards.

~~(b)~~ (e) The commissioner must ensure that all statewide tests administered to elementary and secondary students measure students' academic knowledge and skills and not students' values, attitudes, and beliefs.

~~(c)~~ (f) Reporting of assessment results must:

(1) provide timely, useful, and understandable information on the performance of individual students, schools, school districts, and the state;

(2) include a ~~value-added~~ growth indicator of student achievement under section 120B.35, subdivision 3, paragraph (b); and

(3) ~~(i) for students enrolled in grade 8 before the 2005-2006 school year, determine whether students have met the state's basic skills requirements; and~~

~~(ii) for students enrolled in grade 8 in the 2005-2006 school year and later, determine whether students have met the state's academic standards.~~

~~(d)~~ (g) Consistent with applicable federal law and subdivision 1, paragraph (d), clause (1), the commissioner must include appropriate, technically sound accommodations or alternative assessments for the very few students with disabilities for whom statewide assessments are inappropriate and for English learners.

~~(e)~~ (h) A school, school district, and charter school must administer statewide assessments under this section, as the assessments become available, to evaluate student proficiency progress toward career and college readiness in the context of the state's ~~grade-level~~ academic standards. ~~If a state assessment is not available, a school, school~~

~~district, and charter school must determine locally if a student has met the required academic standards.~~ A school, school district, or charter school may use a student's performance on a statewide assessment as one of multiple criteria to determine grade promotion or retention. A school, school district, or charter school may use a high school student's performance on a statewide assessment as a percentage of the student's final grade in a course, or place a student's assessment score on the student's transcript.

**EFFECTIVE DATE.** This section is effective for the 2013-2014 school year and later except the requirements for using computer-adaptive mathematics and reading assessments for grades 3 through 7 apply in the 2015-2016 school year and later.

Sec. 12. Minnesota Statutes 2012, section 120B.31, subdivision 1, is amended to read:

Subdivision 1. **Educational accountability and public reporting.** Consistent with the direction to adopt statewide academic standards under section 120B.02, the department, in consultation with education and other system stakeholders, must establish a coordinated and comprehensive system of educational accountability and public reporting that promotes greater academic achievement, preparation for higher academic education, preparation for the world of work, citizenship ~~under sections 120B.021, subdivision 1, clause (4), and 120B.024, paragraph (a), clause (4), and the arts.~~

Sec. 13. Minnesota Statutes 2012, section 120B.35, subdivision 3, is amended to read:

Subd. 3. **State growth target; other state measures.** (a) The state's educational assessment system measuring individual students' educational growth is based on indicators of achievement growth that show an individual student's prior achievement. Indicators of achievement and prior achievement must be based on highly reliable statewide or districtwide assessments.

(b) The commissioner, in consultation with a stakeholder group that includes assessment and evaluation directors and staff and researchers must implement a model that uses a value-added growth indicator and includes criteria for identifying schools and school districts that demonstrate medium and high growth under section 120B.299, subdivisions 8 and 9, and may recommend other value-added measures under section 120B.299, subdivision 3. The model may be used to advance educators' professional development and replicate programs that succeed in meeting students' diverse learning needs. Data on individual teachers generated under the model are personnel data under section 13.43. The model must allow users to:

(1) report student growth consistent with this paragraph; and

(2) for all student categories, report and compare aggregated and disaggregated state growth data using the nine student categories identified under the federal 2001 No Child Left Behind Act and two student gender categories of male and female, respectively, following appropriate reporting practices to protect nonpublic student data.

The commissioner must report separate measures of student growth and proficiency, consistent with this paragraph.

(c) When reporting student performance under section 120B.36, subdivision 1, the commissioner annually, beginning July 1, 2011, must report two core measures indicating the extent to which current high school graduates are being prepared for postsecondary academic and career opportunities:

(1) a preparation measure indicating the number and percentage of high school graduates in the most recent school year who completed course work important to preparing them for postsecondary academic and career opportunities, consistent with the core academic subjects required for admission to Minnesota's public colleges and universities as determined by the Office of Higher Education under chapter 136A; and



(2) a rigorous coursework measure indicating the number and percentage of high school graduates in the most recent school year who successfully completed one or more college-level advanced placement, international baccalaureate, postsecondary enrollment options including concurrent enrollment, other rigorous courses of study under section 120B.021, subdivision 1a, or industry certification courses or programs.

When reporting the core measures under clauses (1) and (2), the commissioner must also analyze and report separate categories of information using the nine student categories identified under the federal 2001 No Child Left Behind Act and two student gender categories of male and female, respectively, following appropriate reporting practices to protect nonpublic student data.

(d) When reporting student performance under section 120B.36, subdivision 1, the commissioner annually, beginning July 1, 2014, must report summary data on school safety and students' engagement and connection at school. The summary data under this paragraph are separate from and must not be used for any purpose related to measuring or evaluating the performance of classroom teachers. The commissioner, in consultation with qualified experts on student engagement and connection and classroom teachers, must identify highly reliable variables that generate summary data under this paragraph. The summary data may be used at school, district, and state levels only. Any data on individuals received, collected, or created that are used to generate the summary data under this paragraph are nonpublic data under section 13.02, subdivision 9.

(e) For purposes of statewide educational accountability, the commissioner must identify and report measures that demonstrate the success of school districts, school sites, charter schools, and alternative program providers in improving the graduation outcomes of students under this paragraph. When reporting student performance under section 120B.36, subdivision 1, the commissioner, beginning July 1, 2015, must annually report summary data on:

(1) the four- and six-year graduation rates of students throughout the state who are identified as at risk of not graduating or off track to graduate, including students who are eligible to participate in a program under section 123A.05 or 124D.68, among other students; and

(2) the success that school districts, school sites, charter schools, and alternative program providers experience in:

(i) identifying at-risk and off-track student populations by grade;

(ii) providing successful prevention and intervention strategies for at-risk students;

(iii) providing successful recuperative and recovery or reenrollment strategies for off-track students; and

(iv) improving the graduation outcomes of at-risk and off-track students.

For purposes of this paragraph, a student who is at risk of not graduating is a student in eighth or ninth grade who meets one or more of the following criteria: first enrolled in an English language learners program in eighth or ninth grade and may be older than other students enrolled in the same grade; as an eighth grader, is absent from school for at least 20 percent of the days of instruction during the school year, is two or more years older than other students enrolled in the same grade, or fails multiple core academic courses; or as a ninth grader, fails multiple ninth grade core academic courses in English language arts, mathematics, science, or social studies.

For purposes of this paragraph, a student who is off track to graduate is a student who meets one or more of the following criteria: first enrolled in an English language learners program in high school and is older than other students enrolled in the same grade; is a returning dropout; is 16 or 17 years old and two or more academic years off track to graduate; is 18 years or older and two or more academic years off track to graduate; or is 18 years or older and may graduate within one school year.

**EFFECTIVE DATE.** Paragraph (e) applies to data that are collected in the 2014-2015 school year and later and reported annually beginning July 1, 2015, consistent with the recommendations the commissioner receives from recognized and qualified experts on improving differentiated graduation rates, and establishing alternative routes to a standard high school diploma for at-risk and off-track students.

Sec. 14. Minnesota Statutes 2012, section 120B.36, subdivision 1, is amended to read:

Subdivision 1. **School performance ~~report cards~~ reports.** (a) The commissioner shall report student academic performance under section 120B.35, subdivision 2; the percentages of students showing low, medium, and high growth under section 120B.35, subdivision 3, paragraph (b); school safety and student engagement and connection under section 120B.35, subdivision 3, paragraph (d); rigorous coursework under section 120B.35, subdivision 3, paragraph (c); the percentage of students whose progress and performance levels are meeting career and college readiness benchmarks under section 120B.30, subdivision 1; longitudinal data on district and school progress in reducing disparities in students' academic achievement under section 124D.861, subdivision 3; two separate student-to-teacher ratios that clearly indicate the definition of teacher consistent with sections 122A.06 and 122A.15 for purposes of determining these ratios; staff characteristics excluding salaries; student enrollment demographics; district mobility; and extracurricular activities. The report also must indicate a school's adequate yearly progress status under applicable federal law, and must not set any designations applicable to high- and low-performing schools due solely to adequate yearly progress status.

(b) The commissioner shall develop, annually update, and post on the department Web site school performance ~~report cards~~ reports.

(c) The commissioner must make available performance ~~report cards~~ reports by the beginning of each school year.

(d) A school or district may appeal its adequate yearly progress status in writing to the commissioner within 30 days of receiving the notice of its status. The commissioner's decision to uphold or deny an appeal is final.

(e) School performance ~~report card~~ reports data are nonpublic data under section 13.02, subdivision 9, until the commissioner publicly releases the data. The commissioner shall annually post school performance ~~report cards~~ reports to the department's public Web site no later than September 1, except that in years when the ~~report card~~ reflects reports reflect new performance standards, the commissioner shall post the school performance ~~report cards~~ reports no later than October 1.

**EFFECTIVE DATE.** This section is effective for the 2013-2014 school year and later.

Sec. 15. Minnesota Statutes 2012, section 124D.52, is amended by adding a subdivision to read:

Subd. 8. **Standard high school diploma for adults.** (a) The commissioner shall adopt rules for providing a standard high school diploma to adults who:

(1) are not eligible for kindergarten through grade 12 services;

(2) do not have a high school diploma; and

(3) successfully complete an adult basic education program of instruction approved by the commissioner necessary to earn an adult high school diploma.

(b) Persons participating in an approved adult basic education program of instruction must demonstrate proficiency in a standard set of competencies that reflect the knowledge and skills sufficient to ensure that postsecondary programs and institutions and potential employers regard persons with a standard high school diploma and persons with a

standard high school diploma for adults as equally well prepared and qualified graduates. Approved adult basic education programs of instruction under this subdivision must issue a standard high school diploma for adults who successfully demonstrate the competencies, knowledge, and skills required by the program.

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

Sec. 16. **STATEWIDE ASSESSMENT AND ACCOUNTABILITY; TRANSITION.**

Notwithstanding other law to the contrary, students enrolled in grade 8 before the 2012-2013 school year are eligible to be assessed under the amended provisions of Minnesota Statutes, section 120B.30, subdivision 1, to the extent such assessments are available, or under Minnesota Statutes, section 120B.128. Other measures of statewide accountability, including student performance, preparation, rigorous course taking, engagement and connection, and transition into postsecondary education or the workforce remain in effect.

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

Sec. 17. **CAREER PATHWAYS AND TECHNICAL EDUCATION ADVISORY TASK FORCE.**

Subdivision 1. **Recommendations.** (a) A career pathways and technical education advisory task force is established to recommend to the Minnesota legislature, consistent with Minnesota Statutes, sections 120B.30, subdivision 1, and 120B.35, subdivision 3, how to structurally redesign secondary and postsecondary education to:

(1) improve secondary and postsecondary outcomes for students and adult learners;

(2) align secondary and postsecondary education programs serving students and adult learners;

(3) align secondary and postsecondary education programs and Minnesota's workforce needs; and

(4) measure and evaluate the combined efficacy of Minnesota's public kindergarten through grade 12 and postsecondary education programs.

(b) Advisory task force members, in preparing these recommendations, must seek the advice of education providers, employers, policy makers, and other interested stakeholders and must at least consider how to:

(1) better inform students about career options, occupational trends, and educational paths leading to viable and rewarding careers and reduce the gap between the demand for and preparation of a skilled Minnesota workforce;

(2) in consultation with a student's family, develop and periodically adapt as needed an education and work plan for each student aligned with the student's personal and professional interests, abilities, skills, and aspirations;

(3) improve monitoring of high school students' progress with targeted interventions and support and remove the need for remedial instruction;

(4) increase and accelerate opportunities for secondary school students to earn postsecondary credits leading to a certificate, industry license, or degree;

(5) better align high school courses and expectations and postsecondary credit-bearing courses;

(6) better align high school standards and assessments, postsecondary readiness measures and entrance requirements, and the expectations of Minnesota employers;

(7) increase the rates at which students complete a postsecondary certificate, industry license, or degree; and

(8) provide graduates of two-year and four-year postsecondary institutions with the foundational skills needed for civic engagement, ongoing employment, and continuous learning.

**Subd. 2. Task force membership and operation.** (a) Advisory task force members must include representatives of the following: the Minnesota Association of Career and Technical Administrators; the Minnesota Association for Career and Technical Education; University of Minnesota and Minnesota State Colleges and Universities faculty working to develop career and technical educators in Minnesota; the National Research Center for Career and Technical Education; the Department of Education; the Department of Employment and Economic Development; the Minnesota Chamber of Commerce; the Minnesota Business Partnership; the Minnesota Board of Teaching; the Minnesota Association of Colleges for Teacher Education; Minnesota State Colleges and Universities foundational skills and general education faculty; and any other representatives selected by the task force members. The education commissioner or the commissioner's designee must convene the task force. Task force members are not eligible for compensation or reimbursement for expenses related to task force activities.

(b) The commissioner, upon request, must provide technical assistance to the task force.

(c) The task force must submit its written recommendations under this section to the legislative committees with jurisdiction over kindergarten through grade 12 education by February 15, 2014.

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

Sec. 18. **STANDARD ADULT HIGH SCHOOL DIPLOMA ADVISORY TASK FORCE.**

(a) The commissioner of education shall appoint a nine-member advisory task force to recommend programmatic requirements for adult basic education programs of instruction leading to a standard adult high school diploma under Minnesota Statutes, section 124D.52, subdivision 8.

(b) The commissioner of education must appoint representatives from the following organizations to the task force by July 1, 2013:

(1) one employee of the Department of Education with expertise in adult basic education;

(2) five adult basic education administrators and teachers from local adult basic education programs located in rural, suburban, and urban areas of the state, at least one of whom represents the Literacy Action network;

(3) one employee of the Minnesota State Colleges and Universities with expertise in adult basic education;

(4) one employee of the Department of Employment and Economic Development with expertise in adult basic education and employment; and

(5) one member of the Minnesota Chamber of Commerce familiar with adult basic education programs under Minnesota Statutes, section 124D.52.

(c) The commissioner of education must convene the task force. Task force members are not eligible for compensation or reimbursement for expenses related to task force activities. The commissioner, upon request, must provide technical assistance to task force members.

(d) By February 1, 2014, the task force must submit its recommendations to the commissioner of education for providing a standard adult high school diploma to persons who are not eligible for kindergarten through grade 12 services, who do not have a high school diploma, and who successfully complete an approved adult basic education program of instruction necessary to earn an adult high school diploma. The commissioner must consider these recommendations when adopting rules under Minnesota Statutes, section 124D.52, subdivision 8.

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

**Sec. 19. IMPLEMENTING DIFFERENTIATED GRADUATION RATE MEASURES AND EXPLORING ALTERNATIVE ROUTES TO A STANDARD DIPLOMA FOR AT-RISK AND OFF-TRACK STUDENTS.**

(a) To implement the requirements of Minnesota Statutes, section 120B.35, subdivision 3, paragraph (e), the commissioner of education must consult with recognized and qualified experts and the stakeholders listed in paragraph (b) on improving differentiated graduation rates and establishing alternative routes to a standard high school diploma for at-risk and off-track students throughout the state. The commissioner must consider and recommend to the legislature:

(1) research-based measures that demonstrate the relative success of school districts, school sites, charter schools, and alternative program providers in improving the graduation outcomes of at-risk and off-track students; and

(2) state options for establishing alternative routes to a standard diploma consistent with the educational accountability system under Minnesota Statutes, chapter 120B.

When proposing alternative routes to a standard diploma, the commissioner also must identify highly reliable variables that generate summary data to comply with Minnesota Statutes, section 120B.35, subdivision 3, paragraph (e), including: who initiates the request for an alternative route; who approves the request for an alternative route; the parameters of the alternative route process, including whether a student first must fail a regular, state-mandated exam; and the comparability of the academic and achievement criteria reflected in the alternative route and the standard route for a standard diploma. The commissioner is also encouraged to identify the data, timelines, and methods needed to evaluate and report on the alternative routes to a standard diploma once they are implemented and the student outcomes that result from those routes.

(b) Stakeholders to be consulted include persons from: state-approved alternative programs; online programs; charter schools; school boards; teachers; metropolitan school districts; rural educators; university and college faculty with expertise in serving and assessing at-risk and off-track students; superintendents; high school principals; and the public. The commissioner may seek input from other interested stakeholders and organizations with expertise to help inform the commissioner.

(c) The commissioner, by February 15, 2014, must develop and submit to the education policy and finance committees of the legislature recommendations and legislation, consistent with this section and Minnesota Statutes, section 120B.35, subdivision 3, paragraph (e), for:

(1) measuring and reporting differentiated graduation rates for at-risk and off-track students throughout the state and the success and costs that school districts, school sites, charter schools, and alternative program providers experience in identifying and serving at-risk or off-track student populations; and

(2) establishing alternative routes to a standard diploma.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to school report cards beginning July 1, 2015.

Sec. 20. **APPROPRIATIONS.**

Subdivision 1. Minnesota Department of Education. The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. College and career ready assessments. For the costs necessary for school district and charter school students to participate in the required assessments under section 10:

<u>\$.....</u>	.....	<u>2014</u>
<u>\$.....</u>	.....	<u>2015</u>

Any balance in the first year does not cancel but is available in the second year.

Subd. 3. Computer-adapted tests. For the development costs associated with state-developed, computer-adapted tests under section 11:

<u>\$.....</u>	.....	<u>2014</u>
<u>\$.....</u>	.....	<u>2015</u>

Any balance in the first year does not cancel but is available in the second year.

Subd. 4. Request for proposals. For the costs associated with developing the request for proposals for the assessments required under section 11, paragraph (d):

<u>\$.....</u>	.....	<u>2014</u>
<u>\$.....</u>	.....	<u>2015</u>

Any balance in the first year does not cancel but is available in the second year.

Subd. 5. Career Pathways and Technical Advisory Task Force. For the costs of the Career Pathways Advisory Task Force under section 17:

<u>\$.....</u>	.....	<u>2014</u>
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Any balance in the fiscal year 2014 does not cancel but is available in the fiscal year 2015.

Sec. 21. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall renumber Minnesota Statutes, section 120B.023, subdivision 2, as Minnesota Statutes, section 120B.021, subdivision 4. The revisor shall make necessary cross-reference changes consistent with the renumbering.

Sec. 22. **REPEALER.**

(a) Minnesota Rules, parts 3501.0505; 3501.0510; 3501.0515; 3501.0520; 3501.0525; 3501.0530; 3501.0535; 3501.0540; 3501.0545; and 3501.0550, are repealed.

(b) Minnesota Rules, parts 3501.0010; 3501.0020; 3501.0030, subparts 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 14, 15, and 16; 3501.0040; 3501.0050; 3501.0060; 3501.0090; 3501.0100; 3501.0110; 3501.0120; 3501.0130; 3501.0140; 3501.0150; 3501.0160; 3501.0170; 3501.0180; 3501.0200; 3501.0210; 3501.0220; 3501.0230; 3501.0240; 3501.0250; 3501.0270; 3501.0280, subparts 1 and 2; 3501.0290; 3501.1000; 3501.1020; 3501.1030; 3501.1040; 3501.1050; 3501.1110; 3501.1120; 3501.1130; 3501.1140; 3501.1150; 3501.1160; 3501.1170; 3501.1180; and 3501.1190, are repealed.

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

ARTICLE 2  
EDUCATORS

Section 1. Minnesota Statutes 2012, section 122A.09, subdivision 4, is amended to read:

Subd. 4. **License and rules.** (a) The board must adopt rules to license public school teachers and interns subject to chapter 14.

(b) The board must adopt rules requiring a person until September 1, 2014, to pass a skills examination in reading, writing, and mathematics as a requirement for initial teacher licensure, except that the board may issue up to three temporary, one-year teaching licenses to an otherwise qualified candidate who has not passed the skills exam at the time the candidate successfully completes an approved teacher preparation program. Such rules must require college and universities offering a board-approved teacher preparation program to provide remedial assistance to persons who did not achieve a qualifying score on the skills examination, including those for whom English is a second language.

(c) The board must adopt rules to approve teacher preparation programs. The board, upon the request of a postsecondary student preparing for teacher licensure or a licensed graduate of a teacher preparation program, shall assist in resolving a dispute between the person and a postsecondary institution providing a teacher preparation program when the dispute involves an institution's recommendation for licensure affecting the person or the person's credentials. At the board's discretion, assistance may include the application of chapter 14.

(d) The board must provide the leadership and adopt rules for the redesign of teacher education programs to implement a research based, results-oriented curriculum that focuses on the skills teachers need in order to be effective. The board shall implement new systems of teacher preparation program evaluation to assure program effectiveness based on proficiency of graduates in demonstrating attainment of program outcomes. Teacher preparation programs including alternative teacher preparation programs under section 122A.245, among other programs, must include a content-specific, board-approved, performance-based assessment that measures teacher candidates in three areas: planning for instruction and assessment; engaging students and supporting learning; and assessing student learning.

(e) The board must adopt rules requiring candidates for initial licenses to pass an examination of general pedagogical knowledge and examinations of licensure-specific teaching skills. The rules shall be effective by September 1, 2001. The rules under this paragraph also must require candidates for initial licenses to teach prekindergarten or elementary students to pass, as part of the examination of licensure-specific teaching skills, test items assessing the candidates' knowledge, skill, and ability in comprehensive, scientifically based reading instruction under section 122A.06, subdivision 4, and their knowledge and understanding of the foundations of reading development, the development of reading comprehension, and reading assessment and instruction, and their ability to integrate that knowledge and understanding.

(f) The board must adopt rules requiring teacher educators to work directly with elementary or secondary school teachers in elementary or secondary schools to obtain periodic exposure to the elementary or secondary teaching environment.

(g) The board must grant licenses to interns and to candidates for initial licenses based on appropriate professional competencies that are aligned with the board's licensing system and students' diverse learning needs. The board must include these licenses in a statewide differentiated licensing system that creates new leadership roles for successful experienced teachers premised on a collaborative professional culture dedicated to meeting students' diverse learning needs in the 21st century and formalizes mentoring and induction for newly licensed teachers that is provided through a teacher support framework.

(h) The board must design and implement an assessment system which requires a candidate for an initial license and first continuing license to demonstrate the abilities necessary to perform selected, representative teaching tasks at appropriate levels.

(i) The board must receive recommendations from local committees as established by the board for the renewal of teaching licenses.

(j) The board must grant life licenses to those who qualify according to requirements established by the board, and suspend or revoke licenses pursuant to sections 122A.20 and 214.10. The board must not establish any expiration date for application for life licenses.

(k) The board must adopt rules that require all licensed teachers who are renewing their continuing license to include in their renewal requirements further preparation in the areas of using positive behavior interventions and in accommodating, modifying, and adapting curricula, materials, and strategies to appropriately meet the needs of individual students and ensure adequate progress toward the state's graduation rule.

(l) In adopting rules to license public school teachers who provide health-related services for disabled children, the board shall adopt rules consistent with license or registration requirements of the commissioner of health and the health-related boards who license personnel who perform similar services outside of the school.

(m) The board must adopt rules that require all licensed teachers who are renewing their continuing license to include in their renewal requirements further reading preparation, consistent with section 122A.06, subdivision 4. The rules do not take effect until they are approved by law. Teachers who do not provide direct instruction including, at least, counselors, school psychologists, school nurses, school social workers, audiovisual directors and coordinators, and recreation personnel are exempt from this section.

(n) The board must adopt rules that require all licensed teachers who are renewing their continuing license to include in their renewal requirements further preparation, first, in understanding the key warning signs of early-onset mental illness in children and adolescents and then, during subsequent licensure renewal periods, preparation may include providing a more in-depth understanding of students' mental illness trauma, accommodations for students' mental illness, parents' role in addressing students' mental illness, Fetal Alcohol Spectrum Disorders, autism, the requirements of section 125A.0942 governing restrictive procedures, and de-escalation methods, among other similar topics.

**EFFECTIVE DATE.** Paragraph (b) is effective the day following final enactment. Paragraph (n) is effective August 1, 2014.

Sec. 2. Minnesota Statutes 2012, section 122A.14, subdivision 1, is amended to read:

Subdivision 1. **Licensing.** (a) The board shall license school administrators. The board shall adopt rules to license school administrators under chapter 14. Other than the rules transferred to the board under section 122A.18, subdivision 4, the board may not adopt or amend rules under this section until the rules are approved by law. The rules shall include the licensing of persons who have successfully completed alternative preparation programs under section 122A.27 or other alternative competency-based preparation programs. The board may enter into agreements with the Board of Teaching regarding multiple license matters.

(b) The board must issue a special education director's license to a qualified candidate licensed as a school psychologist, school speech and language pathologist, or school social worker who has experience in public schools working with eligible children with disabilities, their parents and families, and licensed special education teachers, regardless of whether or not the candidate has teaching experience or a teaching license.

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



Sec. 3. Minnesota Statutes 2012, section 122A.18, subdivision 2, is amended to read:

Subd. 2. **Teacher and support personnel qualifications.** (a) The Board of Teaching must issue licenses under its jurisdiction to persons the board finds to be qualified and competent for their respective positions.

(b) The board, until September 1, 2014, must require a person to pass an examination of skills in reading, writing, and mathematics before being granted an initial teaching license to provide direct instruction to pupils in prekindergarten, elementary, secondary, or special education programs, except that the board may issue up to three temporary, one-year teaching licenses to an otherwise qualified candidate who has not passed the skills exam at the time the candidate successfully completes an approved teacher preparation program. The board must require colleges and universities offering a board approved teacher preparation program to ~~provide~~ make available upon request remedial assistance that includes a formal diagnostic component to persons enrolled in their institution who did not achieve a qualifying score on the skills examination, including those for whom English is a second language. The colleges and universities must ~~provide~~ make available assistance in the specific academic areas of deficiency in which the person did not achieve a qualifying score. School districts may make available upon request similar, appropriate, and timely remedial assistance that includes a formal diagnostic component to those persons employed by the district who completed their teacher education program, who did not achieve a qualifying score on the skills examination, including those persons for whom English is a second language and persons under section 122A.23, subdivision 2, paragraph (h), who completed their teacher's education program outside the state of Minnesota, and who received a temporary license to teach in Minnesota. The Board of Teaching shall report annually to the education committees of the legislature on the total number of teacher candidates during the most recent school year taking the skills examination, the number who achieve a qualifying score on the examination, the number who do not achieve a qualifying score on the examination, the distribution of all candidates' scores, the number of candidates who have taken the examination at least once before, and the number of candidates who have taken the examination at least once before and achieve a qualifying score.

(c) A person who has completed an approved teacher preparation program and has been issued three temporary, one-year teaching licenses, but has not passed the skills exam, may have the board renew the temporary license if the school district employing the licensee requests that the licensee continue to teach for that district under a temporary license.

(d) The Board of Teaching must grant continuing licenses only to those persons who have met board criteria for granting a continuing license, which includes passing the skills examination in reading, writing, and mathematics.

~~(d)~~ (e) All colleges and universities approved by the board of teaching to prepare persons for teacher licensure must include in their teacher preparation programs a common core of teaching knowledge and skills to be acquired by all persons recommended for teacher licensure. This common core shall meet the standards developed by the interstate new teacher assessment and support consortium in its 1992 "model standards for beginning teacher licensing and development." Amendments to standards adopted under this paragraph are covered by chapter 14. The board of teaching shall report annually to the education committees of the legislature on the performance of teacher candidates on common core assessments of knowledge and skills under this paragraph during the most recent school year.

(f) Notwithstanding this subdivision or other law to the contrary, beginning September 1, 2014, a teacher is not required to pass an examination of skills in reading, writing, and mathematics before the board grants the teacher an initial teaching license to provide direct instruction to pupils in prekindergarten, elementary, secondary, or special education programs.

**EFFECTIVE DATE.** This section, except paragraph (f), is effective the day following final enactment. Paragraph (f) is effective beginning September 1, 2014.

Sec. 4. Minnesota Statutes 2012, section 122A.23, subdivision 2, is amended to read:

Subd. 2. **Applicants licensed in other states.** (a) Subject to the requirements of sections 122A.18, subdivision 8, and 123B.03, the Board of Teaching must issue a teaching license or a temporary teaching license under paragraphs (b) to (e) to an applicant who holds at least a baccalaureate degree from a regionally accredited college or university and holds or held a similar out-of-state teaching license that requires the applicant to successfully complete a teacher preparation program approved by the issuing state, which includes field-specific teaching methods and student teaching or essentially equivalent experience.

(b) The Board of Teaching must issue a teaching license to an applicant who:

(1) successfully completed all exams and human relations preparation components required by the Board of Teaching; and

(2) holds or held an out-of-state teaching license to teach the same content field and grade levels if the scope of the out-of-state license is no more than one grade level less than a similar Minnesota license.

(c) The Board of Teaching, consistent with board rules and paragraph (h), must issue up to three one-year temporary teaching licenses to an applicant who holds or held an out-of-state teaching license to teach the same content field and grade levels, where the scope of the out-of-state license is no more than one grade level less than a similar Minnesota license, but has not successfully completed all exams and human relations preparation components required by the Board of Teaching.

(d) The Board of Teaching, consistent with board rules, must issue up to three one-year temporary teaching licenses to an applicant who:

(1) successfully completed all exams and human relations preparation components required by the Board of Teaching; and

(2) holds or held an out-of-state teaching license to teach the same content field and grade levels, where the scope of the out-of-state license is no more than one grade level less than a similar Minnesota license, but has not completed field-specific teaching methods or student teaching or equivalent experience.

The applicant may complete field-specific teaching methods and student teaching or equivalent experience by successfully participating in a one-year school district mentorship program consistent with board-adopted standards of effective practice and Minnesota graduation requirements.

(e) The Board of Teaching must issue a temporary teaching license for a term of up to three years only in the content field or grade levels specified in the out-of-state license to an applicant who:

(1) successfully completed all exams and human relations preparation components required by the Board of Teaching; and

(2) holds or held an out-of-state teaching license where the out-of-state license is more limited in the content field or grade levels than a similar Minnesota license.

(f) The Board of Teaching must not issue to an applicant more than three one-year temporary teaching licenses under this subdivision.

(g) The Board of Teaching must not issue a license under this subdivision if the applicant has not attained the additional degrees, credentials, or licenses required in a particular licensure field.

(h) ~~The Board of Teaching must require~~ Until September 1, 2014, an applicant for a teaching license or a temporary teaching license under this subdivision ~~to~~ must pass a skills examination in reading, writing, and mathematics before the board issues the applicant a continuing teaching license. Consistent with section 122A.18, subdivision 2, paragraph (c), and notwithstanding other provisions of this subdivision, the board may issue up to three temporary, one-year teaching licenses to an otherwise qualified applicant who has not passed the skills exam and the board may renew this temporary license if the school district employing the applicant requests that the applicant continue to teach for that district under a temporary license. Notwithstanding this subdivision or other law to the contrary, beginning September 1, 2014, a teacher is not required to pass an examination of skills in reading, writing, and mathematics before the board grants the teacher a continuing license to provide direct instruction to pupils in prekindergarten, elementary, secondary, or special education programs.

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

Sec. 5. Minnesota Statutes 2012, section 122A.28, subdivision 1, is amended to read:

Subdivision 1. **K-12 license to teach deaf and hard-of-hearing students; relicensure.** (a) The Board of Teaching must review and determine appropriate licensure requirements for a candidate for a license or an applicant for a continuing license to teach deaf and hard-of-hearing students in prekindergarten through grade 12. In addition to other requirements, a candidate must demonstrate the minimum level of proficiency in American sign language as determined by the board.

(b) Among other relicensure requirements, each teacher under this section must complete 30 continuing education clock hours on hearing loss topics, including American Sign Language, American Sign Language linguistics, or deaf culture, in each licensure renewal period.

**EFFECTIVE DATE.** This section is effective August 1, 2013.

Sec. 6. Minnesota Statutes 2012, section 122A.33, subdivision 3, is amended to read:

Subd. 3. **Notice of nonrenewal; opportunity to respond.** A school board that declines to renew the coaching contract of a licensed or nonlicensed head varsity coach must notify the coach within 14 days of that decision. If the coach requests reasons for not renewing the coaching contract, the board must give the coach its reasons in writing within ten days of receiving the request. The existence of parent complaints must not be the sole reason for a board to not renew a coaching contract. Upon request, the board must provide the coach with a reasonable opportunity to respond to the reasons at a board meeting. The hearing may be opened or closed at the election of the coach unless the board closes the meeting under section 13D.05, subdivision 2, to discuss private data.

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

Sec. 7. **TEACHER LICENSURE ADVISORY TASK FORCE.**

(a) A Teacher Licensure Advisory Task Force is established to make recommendations to the Board of Teaching, the education commissioner, and the education committees of the legislature on requirements for: teacher applicants to demonstrate mastery of basic reading, writing, and mathematics skills through nationally normed assessments, a basic skills portfolio, or accredited college coursework, among other methods of demonstrating basic skills mastery; and an alternative licensure pathway for nonnative English speakers seeking licensure to teach in a language immersion program.

(b) Task force recommendations on how teacher candidates demonstrate basic skills mastery must encompass the following criteria:

(1) assessment content must be relevant to the teacher's subject area licensure;

(2) the scope of assessment content must be documented in sufficient detail to correspond to a similarly detailed description of relevant public school curriculum;

(3) the scope of assessment content must be publicly available and readily accessible on the Web site of the Board of Teaching and all Minnesota public teacher preparation programs and institutions;

(4) the Board of Teaching and all Minnesota public teacher preparation programs and institutions, upon request, must make available to the public at cost a written review of the scope of assessment content;

(5) if applicable, the Board of Teaching and all Minnesota public teacher preparation programs and institutions annually must post on their Web site up-to-date longitudinal summary data showing teacher candidates' overall passing rate and the passing rate for each demographic group of teacher candidates taking a basic skills assessment in that school year and in previous school years;

(6) reliable evidence showing assessment content is not culturally biased;

(7) the Board of Teaching and all Minnesota public teacher preparation programs and institutions must appropriately accommodate teacher candidates with documented learning disabilities; and

(8) if applicable, give timely, detailed feedback to teacher candidates who do not pass the basic skills assessment sufficient for the candidate to target specific areas of deficiency for appropriate remediation.

(c) The Teacher Licensure Advisory Task Force shall be composed of the following members:

(1) two members of the Board of Teaching appointed by the board's executive director;

(2) two representatives from the Department of Education appointed by the commissioner of education;

(3) two house members appointed by the speaker of the house, one from the minority party and one from the majority party;

(4) two state senators appointed by the senate rules committee, one from the minority party and one from the majority party;

(5) one elementary school principal from rural Minnesota appointed by the Minnesota Elementary School Principals Association and one secondary school principal from the seven-county metropolitan area appointed by the Minnesota Secondary School Principals Association;

(6) one licensed and practicing public elementary school teacher and one licensed and practicing secondary school teacher appointed by Education Minnesota;

(7) one teacher preparation faculty member each from the University of Minnesota system appointed by the system president, the Minnesota State Colleges and Universities system appointed by the system chancellor, and the Minnesota Private Colleges and Universities system appointed by the Minnesota Private Colleges Council;

(8) one member of the Nonpublic Education Council appointed by the council; and

(9) one representative of Minnesota charter schools appointed by the Minnesota Charter Schools Association.

(d) The executive director of the Board of Teaching and the commissioner of education jointly must convene the task force by August 1, 2013. Task force members are not eligible for compensation or reimbursement for expenses related to task force activities. The executive director of the board and the commissioner of education must provide technical assistance to task force members upon request.

(e) By February 1, 2014, task force members must submit to the Board of Teaching, the education commissioner, and the education committees of the legislature their written recommendations on requirements for teacher applicants to demonstrate mastery of basic reading, writing, and mathematics skills and for an alternative licensure pathway for nonnative English speakers seeking licensure to teach in a language immersion program.

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

Sec. 8. **STUDENT SERVICES PERSONNEL TEAM STAFFING GRANTS.**

Subdivision 1. **Grant program established.** A grant program is established to assist school districts with caseloads above the established and recognized recommendations or guidelines of the student service personnel professions in licensed school counseling, school psychology, school nursing, school social work, and chemical dependency counseling. Grants must be used to create or maintain student service personnel teams to address the academic, career, personal, social, and early-onset mental health needs of the students within that district.

Subd. 2. **Definitions.** "Student services personnel team" means a licensed school counselor, school psychologist, school nurse, school social worker, and chemical dependency counselor licensed by the Board of Teaching to provide such services.

Subd. 3. **Application.** The commissioner of education shall develop the form and method for applying for the grants. The commissioner shall develop criteria for determining the allocation of the grants. This criteria must include priority funding directed to school districts in which student service personnel teams either (1) do not exist, (2) need missing or additional positions of a specific student service personnel team to complete the team, (3) are not normally funded or reimbursed by other sources, or (4) have caseloads among specific team members in excess of 50 percent of the established and recognized recommendations or guidelines of the profession.

Subd. 4. **Grant awards.** To qualify for a grant, each student services personnel team member must serve within the scope and practice of the established and recognized capacity of their respective professions and as defined by the Board of Teaching. Grants for the student services personnel team shall be used to lower the caseloads for specific team member areas in order to more effectively provide direct services to kindergarten through grade 12 students. Grant funding under this section must be matched by new funding for the student services personnel team from the school district. The school district must provide the additional funding for a two-year period or repay the grant to the Department of Education.

Subd. 5. **Reports.** School districts that receive grant funds shall report to the commissioner of education no later than July 31 of each year regarding the impact of the student services personnel team on the academic, career, personal, social, and early-onset mental health needs of the students served by the team during the previous academic year. The Department of Education shall develop the criteria necessary for the reports.

Sec. 9. **APPROPRIATION.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **Student services grants.** For student services personnel team staffing grants under section 8:

<u>\$20,000,000</u>	<u>.....</u>	<u>2014</u>
<u>\$20,000,000</u>	<u>.....</u>	<u>2015</u>

Any balance in the first year does not cancel, but is available in the second year.

ARTICLE 3  
SCHOOL PROGRAMS AND OPERATIONS

Section 1. Minnesota Statutes 2012, section 120A.40, is amended to read:

**120A.40 SCHOOL CALENDAR.**

~~(a) Except for learning programs during summer, flexible learning year programs authorized under sections 124D.12 to 124D.127, and learning year programs under section 124D.128, A district must not may commence an elementary or secondary school year before Labor Day, except as provided under paragraph (b) it shall not hold a school day on the Thursday and Friday immediately preceding Labor Day. Days devoted to teachers' workshops may be held before Labor Day. Districts that enter into cooperative agreements are encouraged to adopt similar school calendars.~~

~~(b) A district may begin the school year on any day before Labor Day:~~

~~(1) to accommodate a construction or remodeling project of \$400,000 or more affecting a district school facility;~~

~~(2) if the district has an agreement under section 123A.30, 123A.32, or 123A.35 with a district that qualifies under clause (1); or~~

~~(3) if the district agrees to the same schedule with a school district in an adjoining state.~~

**EFFECTIVE DATE.** This section is effective for the 2013-2014 school year and later.

Sec. 2. Minnesota Statutes 2012, section 120A.41, is amended to read:

**120A.41 LENGTH OF SCHOOL YEAR; HOURS OF INSTRUCTION.**

A school board's annual school calendar must include at least 425 hours of instruction for a kindergarten student without a disability, 935 hours of instruction for a student in grades 1 through 6, and 1,020 hours of instruction for a student in grades 7 through 12, not including summer school. ~~Nothing in this section permits a school district to adopt~~ A school board's annual calendar must include at least 165 days of instruction for a student in grades 1 through 11 unless a four-day week schedule unless has been approved by the commissioner under section 124D.126.

Sec. 3. Minnesota Statutes 2012, section 121A.22, subdivision 2, is amended to read:

Subd. 2. **Exclusions.** In addition, this section does not apply to drugs or medicine that are:

(1) purchased without a prescription;

(2) used by a pupil who is 18 years old or older;

(3) used in connection with services for which a minor may give effective consent, including section 144.343, subdivision 1, and any other law;

(4) used in situations in which, in the judgment of the school personnel who are present or available, the risk to the pupil's life or health is of such a nature that drugs or medicine should be given without delay;

(5) used off the school grounds;

(6) used in connection with athletics or extra curricular activities;

(7) used in connection with activities that occur before or after the regular school day;

(8) provided or administered by a public health agency to prevent or control an illness or a disease outbreak as provided for in sections 144.05 and 144.12;

(9) prescription asthma or reactive airway disease medications self-administered by a pupil with an asthma inhaler if the district has received a written authorization from the pupil's parent permitting the pupil to self-administer the medication, the inhaler is properly labeled for that student, and the parent has not requested school personnel to administer the medication to the pupil. The parent must submit written authorization for the pupil to self-administer the medication each school year; or

(10) ~~prescription nonsyringe injectors of epinephrine~~ auto-injectors, consistent with section 121A.2205, if the parent and prescribing medical professional annually inform the pupil's school in writing that (i) the pupil may possess the epinephrine or (ii) the pupil is unable to possess the epinephrine and requires immediate access to ~~nonsyringe injectors of epinephrine~~ auto-injectors that the parent provides properly labeled to the school for the pupil as needed, or consistent with section 121A.2207.

Sec. 4. Minnesota Statutes 2012, section 121A.2205, is amended to read:

**121A.2205 POSSESSION AND USE OF NONSYRINGE INJECTORS OF EPINEPHRINE AUTO-INJECTORS; MODEL POLICY.**

**Subdivision 1. Definitions.** As used in this section:

(1) "administer" means the direct application of an epinephrine auto-injector to the body of an individual;

(2) "epinephrine auto-injector" means a device that automatically injects a premeasured dose of epinephrine; and

(3) "school" means a public school under section 120A.22, subdivision 4, or a nonpublic school, excluding a home school, under section 120A.22, subdivision 4, that is subject to the federal Americans with Disabilities Act.

**Subd. 2. Plan for use of epinephrine auto-injectors.** (a) At the start of each school year or at the time a student enrolls in school, whichever is first, a student's parent, school staff, including those responsible for student health care, and the prescribing medical professional must develop and implement an individualized written health plan for a student who is prescribed ~~nonsyringe injectors of epinephrine~~ auto-injectors that enables the student to:

(1) possess ~~nonsyringe injectors of epinephrine~~ auto-injectors; or

(2) if the parent and prescribing medical professional determine the student is unable to possess the epinephrine, have immediate access to ~~nonsyringe injectors of epinephrine~~ auto-injectors in close proximity to the student at all times during the instructional day.

The plan must designate the school staff responsible for implementing the student's health plan, including recognizing anaphylaxis and administering ~~nonsyringe injectors of epinephrine~~ auto-injectors when required, consistent with section 121A.22, subdivision 2, clause (10). This health plan may be included in a student's 504 plan.

(b) ~~A school under this section is a public school under section 120A.22, subdivision 4, or a nonpublic school, excluding a home school, under section 120A.22, subdivision 4, that is subject to the federal Americans with Disabilities Act.~~ Other nonpublic schools are encouraged to develop and implement an individualized written health plan for students requiring ~~nonsyringe injectors of epinephrine~~ auto-injectors, consistent with this section and section 121A.22, subdivision 2, clause (10).

(c) A school district and its agents and employees are immune from liability for any act or failure to act, made in good faith, in implementing this section.

(d) The education commissioner may develop and transmit to interested schools a model policy and individualized health plan form consistent with this section and federal 504 plan requirements. The policy and form may:

- (1) assess a student's ability to safely possess ~~nonsyringe injectors of~~ epinephrine auto-injectors;
- (2) identify staff training needs related to recognizing anaphylaxis and administering epinephrine when needed;
- (3) accommodate a student's need to possess or have immediate access to ~~nonsyringe injectors of~~ epinephrine auto-injectors in close proximity to the student at all times during the instructional day; and
- (4) ensure that the student's parent provides properly labeled ~~nonsyringe injectors of~~ epinephrine auto-injectors to the school for the student as needed.
- (e) Additional ~~nonsyringe injectors of~~ epinephrine auto-injectors may be available in school first aid kits.
- (f) The school board of the school district must define instructional day for the purposes of this section.

**Sec. 5. [121A.2207] LIFE-THREATENING ALLERGIES IN SCHOOLS; GUIDELINES; STOCK SUPPLY OF EPINEPHRINE AUTO-INJECTORS; EMERGENCY ADMINISTRATION.**

**Subdivision 1. Districts and schools permitted to maintain supply.** (a) Notwithstanding section 151.37, districts and schools may obtain and possess epinephrine auto-injectors to be maintained and administered according to this section. A district or school may maintain a stock supply of epinephrine auto-injectors.

(b) For purposes of this section, "district" means a district as defined under section 121A.41, subdivision 3, or a school site or facility within the district, and "school" means a charter school as defined under section 124D.10.

**Subd. 2. Use of supply.** (a) A district or school may authorize school nurses and other designated school personnel trained under this section to administer an epinephrine auto-injector to any student or other individual based on guidelines under subdivision 4, regardless of whether the student or other individual has a prescription for an epinephrine auto-injector if:

- (1) the school nurse or designated person believes in good faith that an individual is experiencing anaphylaxis; and
- (2) the person experiencing anaphylaxis is on school premises or off school premises at a school-sponsored event.

(b) The administration of an epinephrine auto-injector in accordance with this section is not the practice of medicine.

**Subd. 3. Arrangements with manufacturers.** A district or school may enter into arrangements with manufacturers of epinephrine auto-injectors to obtain epinephrine auto-injectors at fair-market, free, or reduced prices. A third party, other than a manufacturer or supplier, may pay for a school's supply of epinephrine auto-injectors.

**Subd. 4. District and school policies required for use of epinephrine auto-injector.** A district or school permitting administration of epinephrine auto-injectors pursuant to subdivision 2 shall develop guidelines in a manner consistent with section 121A.22, subdivision 4, and plan for implementation of the guidelines, which shall include: (1) annual education and training for designated school personnel on the management of students with life-threatening allergies, including training related to the administration of an epinephrine auto-injector; (2) procedures for identification of anaphylaxis and responding to life-threatening allergic reactions; and (3) a plan to ensure that



epinephrine auto-injectors maintained at the school are not expired. In developing the guidelines, the district or school must consider applicable model rules and include input from interested community stakeholders. The guidelines must include a requirement to call emergency medical services and inform the individual's parent, guardian, or emergency contact when an epinephrine auto-injector is administered. Each district and school shall make the guidelines and plan available on its Web site, or if such Web sites do not exist, make the plan publicly available through other practicable means as determined by the district or school. Upon request, a printed copy of the guidelines and plan must be made available at no charge. Each district and school shall maintain a log of each incident at a school or related school event involving the administration of an epinephrine auto-injector.

Sec. 6. Minnesota Statutes 2012, section 123B.88, subdivision 22, is amended to read:

Subd. 22. **Postsecondary enrollment options pupils.** Districts may provide bus transportation along school bus routes when space is available, for pupils attending programs at a postsecondary institution under the postsecondary enrollment options program. ~~The transportation is permitted only if it does not increase the district's expenditures for transportation.~~ Fees collected for this service under section 123B.36, subdivision 1, paragraph (13), shall be subtracted from the authorized cost for nonregular transportation for the purpose of section 123B.92. A school district may provide transportation for a pupil participating in an articulated program operated under an agreement between the school district and the postsecondary institution.

Sec. 7. Minnesota Statutes 2012, section 123B.92, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For purposes of this section and section 125A.76, the terms defined in this subdivision have the meanings given to them.

(a) "Actual expenditure per pupil transported in the regular and excess transportation categories" means the quotient obtained by dividing:

(1) the sum of:

(i) all expenditures for transportation in the regular category, as defined in paragraph (b), clause (1), and the excess category, as defined in paragraph (b), clause (2), plus

(ii) an amount equal to one year's depreciation on the district's school bus fleet and mobile units computed on a straight line basis at the rate of 15 percent per year for districts operating a program under section 124D.128 for grades 1 to 12 for all students in the district and 12-1/2 percent per year for other districts of the cost of the fleet, plus

(iii) an amount equal to one year's depreciation on the district's type III vehicles, as defined in section 169.011, subdivision 71, which must be used a majority of the time for pupil transportation purposes, computed on a straight line basis at the rate of 20 percent per year of the cost of the type three school buses by:

(2) the number of pupils eligible for transportation in the regular category, as defined in paragraph (b), clause (1), and the excess category, as defined in paragraph (b), clause (2).

(b) "Transportation category" means a category of transportation service provided to pupils as follows:

(1) Regular transportation is:

(i) transportation to and from school during the regular school year for resident elementary pupils residing one mile or more from the public or nonpublic school they attend, and resident secondary pupils residing two miles or more from the public or nonpublic school they attend, excluding desegregation transportation and noon kindergarten transportation; but with respect to transportation of pupils to and from nonpublic schools, only to the extent permitted by sections 123B.84 to 123B.87;

(ii) transportation of resident pupils to and from language immersion programs;

(iii) transportation of a pupil who is a custodial parent and that pupil's child between the pupil's home and the child care provider and between the provider and the school, if the home and provider are within the attendance area of the school;

(iv) transportation to and from or board and lodging in another district, of resident pupils of a district without a secondary school; and

(v) transportation to and from school during the regular school year required under subdivision 3 for nonresident elementary pupils when the distance from the attendance area border to the public school is one mile or more, and for nonresident secondary pupils when the distance from the attendance area border to the public school is two miles or more, excluding desegregation transportation and noon kindergarten transportation.

For the purposes of this paragraph, a district may designate a licensed day care facility, school day care facility, respite care facility, the residence of a relative, or the residence of a person or other location chosen by the pupil's parent or guardian, or an after-school program for children operated by a political subdivision of the state, as the home of a pupil for part or all of the day, if requested by the pupil's parent or guardian, and if that facility, residence, or program is within the attendance area of the school the pupil attends.

(2) Excess transportation is:

(i) transportation to and from school during the regular school year for resident secondary pupils residing at least one mile but less than two miles from the public or nonpublic school they attend, and transportation to and from school for resident pupils residing less than one mile from school who are transported because of full-service school zones, extraordinary traffic, drug, or crime hazards; and

(ii) transportation to and from school during the regular school year required under subdivision 3 for nonresident secondary pupils when the distance from the attendance area border to the school is at least one mile but less than two miles from the public school they attend, and for nonresident pupils when the distance from the attendance area border to the school is less than one mile from the school and who are transported because of full-service school zones, extraordinary traffic, drug, or crime hazards.

(3) Desegregation transportation is transportation within and outside of the district during the regular school year of pupils to and from schools located outside their normal attendance areas under a plan for desegregation mandated by the commissioner or under court order.

(4) "Transportation services for pupils with disabilities" is:

(i) transportation of pupils with disabilities who cannot be transported on a regular school bus between home or a respite care facility and school;

(ii) necessary transportation of pupils with disabilities from home or from school to other buildings, including centers such as developmental achievement centers, hospitals, and treatment centers where special instruction or services required by sections 125A.03 to 125A.24, 125A.26 to 125A.48, and 125A.65 are provided, within or outside the district where services are provided;

(iii) necessary transportation for resident pupils with disabilities required by sections 125A.12, and 125A.26 to 125A.48;

(iv) board and lodging for pupils with disabilities in a district maintaining special classes;

(v) transportation from one educational facility to another within the district for resident pupils enrolled on a shared-time basis in educational programs, and necessary transportation required by sections 125A.18, and 125A.26 to 125A.48, for resident pupils with disabilities who are provided special instruction and services on a shared-time basis or if resident pupils are not transported, the costs of necessary travel between public and private schools or neutral instructional sites by essential personnel employed by the district's program for children with a disability;

(vi) transportation for resident pupils with disabilities to and from board and lodging facilities when the pupil is boarded and lodged for educational purposes;

(vii) transportation of pupils for a curricular field trip activity on a school bus equipped with a power lift when the power lift is required by a student's disability or section 504 plan; and

(viii) services described in clauses (i) to (vii), when provided for pupils with disabilities in conjunction with a summer instructional program that relates to the pupil's individualized education program or in conjunction with a learning year program established under section 124D.128.

For purposes of computing special education initial aid under section 125A.76, subdivision 2, the cost of providing transportation for children with disabilities includes (A) the additional cost of transporting a homeless student from a temporary nonshelter home in another district to the school of origin, or a formerly homeless student from a permanent home in another district to the school of origin but only through the end of the academic year; and (B) depreciation on district-owned school buses purchased after July 1, 2005, and used primarily for transportation of pupils with disabilities, calculated according to paragraph (a), clauses (ii) and (iii). Depreciation costs included in the disabled transportation category must be excluded in calculating the actual expenditure per pupil transported in the regular and excess transportation categories according to paragraph (a). For purposes of subitem (A), a school district may transport a child who does not have a school of origin to the same school attended by that child's sibling, if the siblings are homeless.

(5) "Nonpublic nonregular transportation" is:

(i) transportation from one educational facility to another within the district for resident pupils enrolled on a shared-time basis in educational programs, excluding transportation for nonpublic pupils with disabilities under clause (4);

(ii) transportation within district boundaries between a nonpublic school and a public school or a neutral site for nonpublic school pupils who are provided pupil support services pursuant to section 123B.44; and

(iii) late transportation home from school or between schools within a district for nonpublic school pupils involved in after-school activities.

(c) "Mobile unit" means a vehicle or trailer designed to provide facilities for educational programs and services, including diagnostic testing, guidance and counseling services, and health services. A mobile unit located off nonpublic school premises is a neutral site as defined in section 123B.41, subdivision 13.

**EFFECTIVE DATE.** This section is effective July 1, 2013.

Sec. 8. Minnesota Statutes 2012, section 124D.122, is amended to read:

**124D.122 ESTABLISHMENT OF FLEXIBLE LEARNING YEAR PROGRAM.**

The board of any district or a consortium of districts, with the approval of the commissioner, may establish and operate a flexible learning year program in one or more of the day or residential facilities for children with a disability within the district. Consortiums may use a single application and evaluation process, though results, public hearings, and board approvals must be obtained for each district.

Sec. 9. Minnesota Statutes 2012, section 124D.59, subdivision 2, is amended to read:

Subd. 2. **English learner.** (a) "English learner" means a pupil in kindergarten through grade 12 who meets the following requirements:

(1) the pupil, as declared by a parent or guardian first learned a language other than English, comes from a home where the language usually spoken is other than English, or usually speaks a language other than English; and

(2) the pupil is determined by developmentally appropriate measures, which might include observations, teacher judgment, parent recommendations, or developmentally appropriate assessment instruments that measure the pupil's emerging academic English and are aligned to state standards for English language development defined in rule, to lack the necessary English skills to participate fully in classes taught in English.

(b) Notwithstanding paragraph (a), a pupil in grades 4 through 12 who was enrolled in a Minnesota public school on the dates during the previous school year when a commissioner provided assessment that measures the pupil's emerging academic English was administered, shall not be counted as an English learner in calculating English learner pupil units under section 126C.05, subdivision 17, and shall not generate state English learner aid under section 124D.65, subdivision 5, unless the pupil scored below the state cutoff score or is otherwise counted as a nonproficient participant on an assessment measuring emerging academic English provided by the commissioner during the previous school year.

(c) Notwithstanding paragraphs (a) and (b), a pupil in kindergarten through grade 12 shall not be counted as an English learner in calculating English learner pupil units under section 126C.05, subdivision 17, and shall not generate state English learner aid under section 124D.65, subdivision 5, if:

(1) the pupil is not enrolled during the current fiscal year in an educational program for English learners in accordance with sections 124D.58 to 124D.64; or

(2) the pupil has generated ~~five~~ seven or more years of average daily membership in Minnesota public schools since July 1, 1996.

**EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2014 and later.

Sec. 10. Minnesota Statutes 2012, section 124D.61, is amended to read:

#### **124D.61 GENERAL REQUIREMENTS FOR PROGRAMS.**

A district that enrolls one or more English learners must implement an educational program that includes at a minimum the following requirements:

(1) identification, program entrance, and reclassification criteria for English learners and program entrance and exit criteria for English learners must be documented by the district, applied uniformly to English learners, and made available to parents and other stakeholders upon request;

(2) a written plan of services that describes programming by English proficiency level made available to parents upon request. The plan must articulate the amount and scope of service offered to English learners through an educational program for English learners;

(3) professional development opportunities for ESL, bilingual education, mainstream, and all staff working with English learners which are: (i) coordinated with the district's professional development activities; (ii) related to the needs of English learners; and (iii) ongoing;

(4) to the extent possible, avoid isolating English learners for a substantial part of the school day; and

(5) in predominantly nonverbal subjects, such as art, music, and physical education, permit English learners to participate fully and on an equal basis with their contemporaries in public school classes provided for these subjects. To the extent possible, the district must assure to pupils enrolled in a program for English learners an equal and meaningful opportunity to participate fully with other pupils in all extracurricular activities.

The exit criteria under clause (1) must be equivalent to the emerging academic English measures on state assessments for English language development.

Sec. 11. Minnesota Statutes 2012, section 124D.79, subdivision 1, is amended to read:

Subdivision 1. **Community involvement.** The commissioner must provide for the maximum involvement of the state committees on American Indian education, parents of American Indian children, secondary students eligible to be served, American Indian language and culture education teachers, American Indian teachers, teachers' aides, representatives of community groups, and persons knowledgeable in the field of American Indian education, in the formulation of policy and procedures relating to the administration of sections 124D.71 to 124D.82. The commissioner must annually hold a field hearing on American Indian education to gather input from American Indian educators, parents, and students on the state of American Indian education in Minnesota. Results of the hearing must be made available to all 11 tribal nations for review and comment.

Sec. 12. Minnesota Statutes 2012, section 124D.79, is amended by adding a subdivision to read:

Subd. 4. **Consultation with the Tribal Nations Education Committee.** (a) The commissioner shall seek consultation with the Tribal Nations Education Committee on all issues relating to American Indian education including:

(1) administration of the commissioner's duties under sections 124D.71 to 124D.82 and other programs;

(2) administration of other programs for the education of American Indian people, as determined by the commissioner;

(3) awarding of scholarships to eligible American Indian students;

(4) administration of the commissioner's duties regarding awarding of American Indian postsecondary preparation grants to school districts; and

(5) recommendations of education policy changes for American Indians.

(b) Membership in the Tribal Nations Education Committee is the sole discretion of the committee and nothing in this subdivision gives the commissioner authority to dictate committee membership.

Sec. 13. **[124D.791] INDIAN EDUCATION DIRECTOR.**

Subdivision 1. **Appointment.** An Indian education director shall be appointed by the commissioner.

Subd. 2. **Qualifications.** The commissioner shall select the Indian education director on the basis of outstanding professional qualifications and knowledge of American Indian education, culture, practices, and beliefs. The Indian education director serves in the unclassified service. The commissioner may remove the Indian education director for cause. The commissioner is encouraged to seek qualified applicants who are enrolled members of a tribe.

Subd. 3. **Compensation.** Compensation of the Indian education director shall be established under chapter 15A.

Subd. 4. **Duties; powers.** (a) The Indian education director shall:

(1) serve as the liaison for the department with the Tribal Nations Education Committee, the 11 reservations, the Minnesota Chippewa tribe, the Minnesota Indian Affairs Council, and the Urban Indian Advisory Council;

(2) evaluate the state of American Indian education in Minnesota;

(3) engage the tribal bodies, community groups, parents of children eligible to be served by Indian education programs, American Indian administrators and teachers, persons experienced in the training of teachers for American Indian education programs, the tribally controlled schools, and other persons knowledgeable in the field of American Indian education and seek their advice on policies that can improve the quality of American Indian education;

(4) advise the commissioner on the American Indian education issues, including:

(i) issues facing American Indian students;

(ii) policies for American Indian education;

(iii) awarding scholarships to eligible American Indian students and in administering the commissioner's duties regarding awarding of American Indian postsecondary preparation grants to school districts; and

(iv) administration of the commissioner's duties under sections 124D.71 to 124D.82 and other programs for the education of American Indian people;

(5) propose to the commissioner legislative changes that will improve the quality of American Indian education;

(6) develop a strategic plan and a long-term framework for American Indian education, in conjunction with the Minnesota Indian Affairs Council, that is updated every five years and implemented by the commissioner, with goals to:

(i) increase American Indian student achievement, including increased levels of proficiency and growth on statewide accountability assessments;

(ii) increase the number of American Indian teachers in public schools;

(iii) close the achievement gap between American Indian students and their more advantaged peers;

(iv) increase the statewide graduation rate for American Indian students; and

(v) increase American Indian student placement in postsecondary programs and the workforce; and

(7) keep the American Indian community informed about the work of the department by reporting to the Tribal Nations Education Committee at each committee meeting.

Sec. 14. **[124D.861] ACHIEVEMENT AND INTEGRATION FOR MINNESOTA.**

**Subdivision 1. Program to close the academic achievement and opportunity gap.** The "Achievement and Integration for Minnesota" program is established to promote diversity, pursue racial and economic integration, and increase student academic achievement and equitable educational opportunities in Minnesota public schools. The program must serve students of varying racial, ethnic, and economic backgrounds, taking into account unique

geographic and demographic particularities affecting students, schools, and districts including race, neighborhood locations and characteristics, grades, socioeconomic status, academic performance, and language barriers. Eligible districts must use the revenue under section 124D.862 to pursue racial and economic integration in schools through: (1) in-school educational practices and integrated learning environments created to prepare all students to be effective citizens, enhance social cohesion, and reinforce democratic values; and (2) corresponding and meaningful policies and curricula and trained instructors, administrators, school counselors, and other advocates who support and enhance in-school practices and integrated learning environments under this section. In-school practices and integrated learning environments must promote increased student academic achievement, cultural fluency, graduation and educational attainment rates, and parent involvement.

Subd. 2. **Plan components.** (a) The school board of each eligible district must formally develop and implement a long-term comprehensive plan that identifies the collaborative structures and systems, in-school strategies, inclusive best educational practices, and partnerships with higher education institutions and industries required to effect this section and increase the academic achievement of all students. Plan components may include: innovative and integrated prekindergarten through grade 12 learning environments that offer students school enrollment choices; family engagement initiatives that involve families in their students' academic life and success; professional development opportunities for teachers and administrators focused on improving the academic achievement of all students; increased programmatic opportunities focused on rigor and college and career readiness for underserved students, including students enrolled in alternative learning centers under section 123A.05, public alternative programs under section 126C.05, subdivision 15, or contract alternative programs under section 124D.69, among other underserved students; or recruitment and retention of teachers and administrators with diverse backgrounds. The plan must specify district and school goals for reducing the disparity in academic achievement among all racial and ethnic categories of students and promoting racial and economic integration in schools and districts over time.

(b) Among other requirements, an eligible district must implement a cost-effective, research-based intervention that includes formative assessment practices to reduce the disparity in student academic achievement between the highest and lowest performing racial and ethnic categories of students as measured by student demonstration of proficiency on state reading and math assessments.

(c) Eligible districts must collaborate in creating efficiencies and eliminating the duplication of programs and services under this section, which may include forming a single, seven-county metropolitan areawide partnership of eligible districts for this purpose.

Subd. 3. **Biennial progress; budget process.** (a) To receive revenue under section 124D.862, the school board of an eligible district must hold at least one formal hearing by March 1 in the year preceding the current biennium to report to the public its progress in realizing the goals identified in its plan. At the hearing, the board must provide the public with longitudinal data demonstrating district and school progress in reducing the disparity in student academic achievement among all racial and ethnic categories of students and realizing racial and economic integration, consistent with its plan and the measures in paragraph (b). At least 30 days before the formal hearing under this paragraph, the board must post on the district Web site, in an understandable, readily accessible format, up-to-date longitudinal data on district and school progress in reducing disparities in students' academic achievement, consistent with this subdivision. The district also must submit to the commissioner by March 1 in the year preceding the current biennium a detailed biennial budget for continuing to implement its plan and the commissioner must review and approve or disapprove the budget by June 1 of that year.

(b) The longitudinal data required under paragraph (a) must be based on one or more of the following measures:

(1) the number of world language proficiency or high achievement certificates awarded under section 120B.022, subdivision 1, paragraphs (b) and (c);

(2) student growth and progress toward proficiency in reading or mathematics as defined under section 120B.299;

(3) adequate yearly progress under section 120B.35, subdivision 2;

(4) preparation for postsecondary academic and career opportunities under section 120B.35, subdivision 3, paragraph (c), clause (1);

(5) rigorous coursework completed under section 120B.35, subdivision 3, paragraph (c), clause (2); or

(6) school safety and students' engagement and connection at school under section 120B.35, subdivision 3, paragraph (d).

Subd. 4. **Evaluation.** The commissioner must evaluate the efficacy of district plans in reducing the disparity in student academic achievement among all racial and ethnic categories of students and realizing racial and economic integration and report the commissioner's findings to the K-12 education committees of the legislature by February 1 every fourth year beginning February 1, 2017.

**EFFECTIVE DATE.** This section is effective for fiscal year 2014 and later.

Sec. 15. **[124D.862] ACHIEVEMENT AND INTEGRATION REVENUE.**

Subdivision 1. **Eligibility.** A school district is eligible for achievement and integration revenue under this section if the district has a biennial achievement and integration plan approved by the department under section 124D.861.

Subd. 2. **Achievement and integration revenue.** (a) An eligible district's initial achievement and integration revenue equals the sum of (1) \$...... per pupil unit plus (2) \$...... times district's pupil units for that year times the ratio of the district's enrollment of protected students to total enrollment for the previous school year.

(b) In each year, .02 percent of each district's initial achievement and integration revenue is transferred to the Department of Education for the oversight and accountability activities required under this section and section 124D.861.

(c) A district that did not meet its achievement goals established in section 124D.861 for the previous biennium must have its initial achievement and integration revenue reduced by ..... percent for the current year.

(d) Any revenue saved by the reductions in paragraph (c) must be proportionately reallocated on a per pupil basis to all districts that met their achievement goals in the previous biennium.

Subd. 3. **Achievement and integration aid.** A district's achievement and integration aid equals 70 percent of its achievement and integration revenue.

Subd. 4. **Achievement and integration levy.** A district's achievement and integration levy equals the difference between its achievement and integration revenue and its achievement and integration aid.

Subd. 5. **Incentive revenue.** An eligible school district's maximum incentive revenue equals \$...... per pupil unit. In order to receive this revenue, a district must be implementing a voluntary plan to reduce racial enrollment disparities through intradistrict and interdistrict activities that have been approved as a part of the district's achievement and integration plan.

Subd. 6. **Revenue reserved.** Integration revenue received under this section must be reserved and used only for the programs authorized in subdivision 7.



Subd. 7. **Revenue uses.** At least 80 percent of a district's achievement and integration revenue received under this section must be used for innovative and integrated learning environments, family engagement activities, and other approved programs providing direct services to students. Up to 20 percent of the revenue may be used for professional development and staff development activities and not more than ten percent of this share of the revenue may be used for administrative expenditures.

**EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2014 and later.

Sec. 16. Minnesota Statutes 2012, section 126C.10, subdivision 14, is amended to read:

Subd. 14. **Uses of total operating capital revenue.** Total operating capital revenue may be used only for the following purposes:

- (1) to acquire land for school purposes;
- (2) to acquire or construct buildings for school purposes;
- (3) to rent or lease buildings, including the costs of building repair or improvement that are part of a lease agreement;
- (4) to improve and repair school sites and buildings, and equip or reequip school buildings with permanent attached fixtures, including library media centers;
- (5) for a surplus school building that is used substantially for a public nonschool purpose;
- (6) to eliminate barriers or increase access to school buildings by individuals with a disability;
- (7) to bring school buildings into compliance with the State Fire Code adopted according to chapter 299F;
- (8) to remove asbestos from school buildings, encapsulate asbestos, or make asbestos-related repairs;
- (9) to clean up and dispose of polychlorinated biphenyls found in school buildings;
- (10) to clean up, remove, dispose of, and make repairs related to storing heating fuel or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section 296A.01;
- (11) for energy audits for school buildings and to modify buildings if the audit indicates the cost of the modification can be recovered within ten years;
- (12) to improve buildings that are leased according to section 123B.51, subdivision 4;
- (13) to pay special assessments levied against school property but not to pay assessments for service charges;
- (14) to pay principal and interest on state loans for energy conservation according to section 216C.37 or loans made under the Douglas J. Johnson Economic Protection Trust Fund Act according to sections 298.292 to 298.298;
- (15) to purchase or lease interactive telecommunications equipment;
- (16) by board resolution, to transfer money into the debt redemption fund to: (i) pay the amounts needed to meet, when due, principal and interest payments on certain obligations issued according to chapter 475; or (ii) pay principal and interest on debt service loans or capital loans according to section 126C.70;

(17) to pay operating capital-related assessments of any entity formed under a cooperative agreement between two or more districts;

(18) to purchase or lease computers and related ~~materials~~ hardware, initial purchase of related software, but not annual licensing fees, copying machines, telecommunications equipment, and other noninstructional equipment;

(19) to purchase or lease assistive technology or equipment for instructional programs;

(20) to purchase textbooks as defined in section 123B.41, subdivision 2;

(21) to purchase new and replacement library media resources or technology;

(22) to lease or purchase vehicles;

(23) to purchase or lease telecommunications equipment, computers, and related equipment for integrated information management systems for:

(i) managing and reporting learner outcome information for all students under a results-oriented graduation rule;

(ii) managing student assessment, services, and achievement information required for students with individualized education programs; and

(iii) other classroom information management needs;

(24) to pay personnel costs directly related to the acquisition, operation, and maintenance of telecommunications systems, computers, related equipment, and network and applications software; and

(25) to pay the costs directly associated with closing a school facility, including moving and storage costs.

Sec. 17. **TRANSFER OF LANDS; RED LAKE SCHOOL DISTRICT.**

Subdivision 1. **Conveyance.** A conveyance of right, title, and interest in Parcels A, B, and C, described in subdivision 2, and all improvements thereon, from Independent School District No. 38, Red Lake, to the Red Lake Band of Chippewa Indians is not a sale within the meaning of Minnesota Statutes, section 16A.695, provided:

(1) the tax-exempt status of any bonds previously issued is not compromised by the conveyance;

(2) the Red Lake Band of Chippewa Indians leases Parcels A, B, and C, and all buildings thereon to Independent School District No. 38, Red Lake, for a term that is at least 125 percent of the useful life of the bond-financed improvements; and

(3) the conveyance is approved by Independent School District No. 38, Red Lake.

Subd. 2. **Land descriptions.** (a) Parcel A is described as follows:

Located in Lots 1 and 2, Section 21, Township 151 North, Range 34 West, Minnesota, and described as follows: commencing at a point which is the intersection of a projection of the center line of B Street and the north edge of Minnesota State Highway No. 1; thence North 78 degrees East along the north edge of Highway No. 1 750 feet to point of beginning; thence North 78 degrees East a distance of 675 feet; thence North 12 degrees West 1,160 feet; thence South 78 degrees West a distance of 675 feet; thence South 12 degrees East 1,160 feet to point of beginning, containing 17.98 acres, more or less.

Reserving, however, to the United States, all mineral deposits in the above-described land, together with the right to prospect for and remove such deposits under rules and regulations prescribed by the Secretary of the Interior.

(b) Parcel B is described as follows:

That part of Government Lot 3, Section 5, Township 152 North, Range 33 West, described as follows:

Beginning at the closing section corner common to Sections 5 and 6, located on the 13th Standard Parallel and a distance of 1,108.8 feet West of the south quarter corner of Section 32, which is a 3/4" pipe 24" long; thence on a bearing of South 0 degrees 33 minutes East along existing fence line a distance of 116.0 feet to top of bank on shore line of Red Lake and approximately 50 feet from shore of said lake where a 3/4" pipe 24" long was placed by a fence post at top of bank; thence meander along top of said bank on a bearing of North 73 degrees 45 minutes East, a distance of 1,040 feet, more or less, approximately 50 feet from shore line of said Red Lake, with all riparian rights reserved between these two corners; thence on a bearing of North 1 degree 15 minutes East a distance of 160 feet; thence North 89 degrees 8 minutes West, a distance of 210 feet; thence North 1 degree 15 minutes East a distance of 320 feet; thence due West a distance of 369.0 feet to a 3/4" pipe 24" long; thence on a bearing of North 0 degrees 33 minutes West a distance of 330.0 feet to a 3/4" pipe 24" long and set at west corner post of entrance and on fence line running westerly; thence due West a distance of 435.8 feet to point of beginning, containing 17.62 acres, more or less.

Subject to road right-of-way from a point on west line of above-described property and 450.0 feet South of section corner common to Sections 5 and 6, which is the point of beginning. A tract of land 30.0 feet wide, 20.0 feet on the North and 10.0 feet on the South of a center line described as: on a bearing South 88 degrees 49 minutes East, a distance of 455.0 feet East, a tract of land 20 feet wide, 10 feet on the West and 10.0 feet on the East of a center line on a bearing of North 0 degrees 33 minutes West, a distance of 130.0 feet North at which point said right-of-way leaves the property.

Excepting the following:

(1) one lot described as follows: commencing at the closing section corner common to Sections 5 and 6 on the 13th Standard Parallel, which is a 3/4" pipe 24" long; thence on a bearing of South 0 degrees 33 minutes East, a distance of 430.0 feet to a 3/4" pipe 24" long, which is the point of beginning; thence on a bearing of South 88 degrees 49 minutes East, a distance of 200 feet; thence on a bearing of North 0 degrees 33 minutes West, 115 feet; thence on a bearing of North 88 degrees 49 minutes West, a distance of 200 feet; thence on a bearing of South 0 degrees 33 minutes East a distance of 115 feet to the point of beginning, containing 0.528 acres, more or less; and

(2) one lot described as follows: commencing at the closing section corner common to Sections 5 and 6 on the 13th Standard parallel, which is a 3/4" pipe 24" long; thence on a bearing of South 0 degrees 33 minutes East, a distance of 430.0 feet to a 3/4" pipe 24" long; thence on a bearing of South 88 degrees 49 minutes East, a distance of 270.0 feet to a point of beginning, and which is a 3/4" pipe 24" long set on property line 1 foot back of sidewalk line with an (X) chiselled at edge of sidewalk opposite the corner; thence on a bearing of North 1 degree 11 minutes East, a distance of 115.0 feet to a 3/4" pipe 24" long; thence on a bearing of South 88 degrees 49 minutes East, a distance 90.0 feet to a 3/4" pipe 24" long; thence on a bearing of South 1 degree 11 minutes West, a distance of 115.0 feet to a 3/4" pipe 24" long set 1 foot back of sidewalk line with an (X) chiselled at edge of sidewalk opposite the corner; thence on a bearing of North 88 degrees 49 minutes West, a distance of 90.0 feet to point of beginning, containing 0.24 acres, more or less.

There are reserved to the United States in trust for the Red Lake Band of Chippewa Indians all minerals, including oil and gas, in the above-described land together with the right to prospect for and remove such deposits under rules and regulations prescribed by the Secretary of the Interior.

(c) Parcel C is located in Lots 3 and 4 of Section 21, Township 151 North, Range 34 West, Minnesota, and described as follows:

Beginning at a point which is the intersection of a projection of the center line of B Street and the north edge of Minnesota State Highway No. 1, North 78 degrees East along the north edge of Highway No. 1 750 feet; thence North 12 degrees West 1,160 feet; thence South 78 degrees West 750 feet to the center line of B Street; thence South 12 degrees East along the center line of B Street and its projection, to the point of beginning. The area described above not to exceed twenty acres.

Reserving however, to the United States, all mineral deposits in the above-described land together with the right to prospect for and remove such deposits under rules and regulations prescribed by the Secretary of the Interior.

Sec. 18. **APPROPRIATIONS.**

Subdivision 1. **Department.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **Achievement and integration aid.** For achievement and integration aid under Minnesota Statutes, section 124D.861:

<u>\$.....</u>	<u>.....</u>	<u>2014</u>
<u>\$.....</u>	<u>.....</u>	<u>2015</u>

The 2014 appropriation includes \$..... for 2013 and \$..... for 2014.

The 2015 appropriation includes \$..... for 2014 and \$..... for 2015.

Sec. 19. **REVISOR'S INSTRUCTION.**

In Minnesota Statutes and Minnesota Rules, the revisor of statutes shall substitute the term "Division of State Library Services" for "Library Development and Services," "Office of Library Development and Services," or "LDS" where "LDS" stands for "Library Development and Services." The revisor shall also make grammatical changes related to the changes in terms.

ARTICLE 4  
CHARTER SCHOOLS

Section 1. Minnesota Statutes 2012, section 124D.10, is amended to read:

**124D.10 CHARTER SCHOOLS.**

Subdivision 1. **Purposes.** (a) The primary purpose of this section is to:

- (+) improve pupil learning and student achievement; Additional purposes include to:
- (-) (1) increase learning opportunities for pupils;
- (-) (2) encourage the use of different and innovative teaching methods;
- (-) (3) measure learning outcomes and create different and innovative forms of measuring outcomes;

~~(5)~~ (4) establish new forms of accountability for schools; ~~and or~~

~~(6)~~ (5) create new professional opportunities for teachers, including the opportunity to be responsible for the learning program at the school site.

(b) This section does not provide a means to keep open a school that a school board decides to close. However, a school board may endorse or authorize the establishing of a charter school to replace the school the board decided to close. Applicants seeking a charter under this circumstance must demonstrate to the authorizer that the charter sought is substantially different in purpose and program from the school the board closed and that the proposed charter satisfies the requirements of this subdivision. If the school board that closed the school authorizes the charter, it must document in its affidavit to the commissioner that the charter is substantially different in program and purpose from the school it closed.

An authorizer shall not approve an application submitted by a charter school developer under subdivision 4, paragraph (a), if the application does not comply with this subdivision. The commissioner shall not approve an affidavit submitted by an authorizer under subdivision 4, paragraph (b), if the affidavit does not comply with this subdivision.

Subd. 2. **Applicability.** This section applies only to charter schools formed and operated under this section.

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.

(b) The following organizations may authorize one or more charter schools:

(1) a school board, intermediate school district school board, or 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; and

(iii) is incorporated in the state of Minnesota and has been operating continuously for at least five years but does not operate a charter school;

(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;

(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; or

(5) 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 charter school 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 45 business days of the application deadline. If the commissioner disapproves the application, the commissioner must notify the applicant of the specific deficiencies in writing and the applicant then has 20 business days to address the deficiencies to the commissioner's satisfaction. After the 20 business days expire, the commissioner has 15 business days to make a final decision to approve or disapprove the application. 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) An applicant must include in its application to the commissioner to be an approved authorizer 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;

(4) a description of the type of contract it will arrange with the schools it charters that meets the provisions of subdivision 6;

(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) a description of the criteria and process the authorizer will use to grant expanded applications under subdivision 4, paragraph (j);

(7) 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

(8) an assurance specifying that the organization is committed to serving as an authorizer for the full five-year term.

(e) A disapproved applicant under this section may resubmit an application during a future application period.

(f) If the governing board of an approved authorizer votes to withdraw as an approved authorizer for a reason unrelated to any cause under subdivision 23, the authorizer must notify all its chartered schools and the commissioner in writing by July 15 of its intent to withdraw as an authorizer on June 30 in the next calendar year. The commissioner may approve the transfer of a charter school to a new authorizer under this paragraph after the new authorizer submits an affidavit to the commissioner.

(g) The authorizer must participate in department-approved training.

~~(h) An authorizer that chartered a school before August 1, 2009, must apply by June 30, 2012, to the commissioner for approval, under paragraph (e), 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.~~

⊕ (h) 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. If the commissioner terminates a contract between an authorizer and a charter school under this paragraph, the commissioner may assist the charter school in acquiring a new authorizer.

⊕ (i) 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;

(3) unsatisfactory performance as an approved authorizer; or

(4) any good cause shown that provides the commissioner a legally sufficient reason to take corrective action against an authorizer.

Subd. 4. **Formation of school.** (a) An authorizer, after receiving an application from a school developer, may charter a licensed teacher under section 122A.18, subdivision 1, or a group of individuals that includes one or more licensed teachers under section 122A.18, subdivision 1, to operate a school subject to the commissioner's approval of the authorizer's affidavit under paragraph (b). The school must be organized and operated as a nonprofit corporation under chapter 317A and the provisions under the applicable chapter shall apply to the school except as provided in this section.

Notwithstanding sections 465.717 and 465.719, a school district, subject to this section and section 124D.11, may create a corporation for the purpose of establishing a charter school.

(b) Before the operators may establish and operate a school, the authorizer must file an affidavit with the commissioner stating its intent to charter a school. An authorizer must file a separate affidavit for each school it intends to charter. The affidavit must state the terms and conditions under which the authorizer would charter a school and how the authorizer intends to oversee the fiscal and student performance of the charter school and to comply with the terms of the written contract between the authorizer and the charter school board of directors under subdivision 6. The commissioner must approve or disapprove the authorizer's affidavit within 60 business days of receipt of the affidavit. If the commissioner disapproves the affidavit, the commissioner shall notify the authorizer of the deficiencies in the affidavit and the authorizer then has 20 business days to address the deficiencies. If the authorizer does not address deficiencies to the commissioner's satisfaction, the commissioner's disapproval is final. Failure to obtain commissioner approval precludes an authorizer from chartering the school that is the subject of this affidavit.

(c) The authorizer may prevent an approved charter school from opening for operation if, among other grounds, the charter school violates this section or does not meet the ready-to-open standards that are part of the authorizer's oversight and evaluation process or are stipulated in the charter school contract.

(d) The operators authorized to organize and operate a school, before entering into a contract or other agreement for professional or other services, goods, or facilities, must incorporate as a nonprofit corporation under chapter 317A and must establish a board of directors composed of at least five members who are not related parties until a timely election for members of the ongoing charter school board of directors is held according to the school's articles and bylaws under paragraph (f). A charter school board of directors must be composed of at least five members who are not related parties. Staff members employed at the school, including teachers providing instruction under a contract with a cooperative, members of the board of directors, and all parents or legal guardians of children enrolled in the school are the voters eligible to elect the members of the school's board of directors. A charter school must notify eligible voters of the school board election dates at least 30 days before the election. Board of director meetings and board committee meetings must comply with chapter 13D.

(e) A charter school shall publish and maintain on the school's official Web site: (1) the minutes of meetings of the board of directors, and of members and committees having any board-delegated authority, for at least one calendar year from the date of publication; (2) directory information for members of the board of directors and committees having board-delegated authority; and (3) identifying and contact information for the school's authorizer. Identifying and contact information for the school's authorizer must be included in other school materials made available to the public. Upon request of an individual, the charter school must also make available in a timely fashion financial statements showing all operations and transactions affecting income, surplus, and deficit during the school's last annual accounting period; and a balance sheet summarizing assets and liabilities on the closing date of the accounting period. A charter school also must ~~post on its official Web site information identifying its authorizer and indicate how to contact that authorizer and~~ include that same information about its authorizer in other school materials that it makes available to the public.



(f) Every charter school board member shall attend ~~ongoing~~ annual training throughout the member's term on ~~the board governance, including.~~ All new board members shall attend initial training on the board's role and responsibilities, employment policies and practices, and financial management. A new board member who does not begin the required initial training within six months after being seated and complete that training within 12 months of being seated on the board is automatically ineligible to continue to serve as a board member. The school shall include in its annual report the training attended by each board member during the previous year.

(g) The ongoing board must be elected before the school completes its third year of operation. Board elections must be held during the school year but may not be conducted on days when the school is closed for holidays, breaks, or vacations. The charter school board of directors shall be composed of at least five nonrelated members and include: (i) at least one licensed teacher employed as a teacher at the school or ~~a licensed teacher~~ providing instruction under contract between the charter school and a cooperative; (ii) ~~the~~ at least one parent or legal guardian of a student enrolled in the charter school who is not an employee of the charter school; and (iii) ~~an~~ at least one interested community member who resides in Minnesota and is not employed by the charter school and does not have a child enrolled in the school. ~~The board may be a teacher majority board composed~~ may include a majority of teachers, parents, or community members as described in this paragraph or it may have no clear majority. The chief financial officer and the chief administrator may only serve as ex-officio nonvoting board members ~~and may not serve as a voting member of the board.~~ No charter school employees shall ~~not~~ serve on the board unless other than teachers under item (i) applies. Contractors providing facilities, goods, or services to a charter school shall not serve on the board of directors of the charter school. Board bylaws shall outline the process and procedures for changing the board's governance ~~model~~ structure, consistent with chapter 317A. A board may change its governance ~~model~~ structure only:

(1) by a majority vote of the board of directors and a majority vote of the licensed teachers employed by the school as teachers, including licensed teachers providing instruction under a contract between the school and a cooperative; and

(2) with the authorizer's approval.

Any change in board governance structure must conform with the composition of the board ~~structure~~ established under this paragraph.

(h) The granting or renewal of a charter by an authorizer must not be conditioned upon the bargaining unit status of the employees of the school.

(i) The granting or renewal of a charter school by an authorizer must not be contingent on the charter school being required to contract, lease, or purchase services or facilities from the authorizer or to enter into a contract with a corporation, contractor, or individual with which the authorizer has a financial relationship or arrangement. Any potential contract, ~~lease~~, or purchase of service from an authorizer must be disclosed to the commissioner, accepted through an open bidding process, and be a separate contract from the charter contract. The school must document the open bidding process it used in awarding the contract. The authorizer must document that the bid terms were competitive in relation to the market and that the authorizer makes the same terms available to schools that it does not authorize. An authorizer must not enter into a contract to provide management and financial services for a school that it authorizes, unless the school documents that it received at least two competitive bids.

(j) An authorizer may permit the board of directors of a charter school to expand the operation of the charter school to additional sites or ~~to add additional~~ grades at the school beyond those described in the authorizer's original affidavit as approved by the commissioner only after submitting a supplemental affidavit for approval to the commissioner in a form and manner prescribed by the commissioner. The supplemental affidavit must document that:

(1) the proposed expansion plan demonstrates need and projected enrollment;

(2) the expansion is warranted, at a minimum, by longitudinal data demonstrating students' improved academic performance and growth on statewide assessments under chapter 120B;

(3) the charter school is financially sound and the financing it needs to implement the proposed expansion exists; and

(4) the charter school has the governance structure and management capacity to carry out its expansion.

(k) The commissioner shall have 30 business days to review and comment on the supplemental affidavit. The commissioner shall notify the authorizer of any deficiencies in the supplemental affidavit and the authorizer then has 20 business days to address, to the commissioner's satisfaction, any deficiencies in the supplemental affidavit. The school may not expand grades or add sites until the commissioner has approved the supplemental affidavit. The commissioner's approval or disapproval of a supplemental affidavit is final.

Subd. 4a. **Conflict of interest.** (a) An individual is prohibited from serving as a member of the charter school board of directors if the individual, an immediate family member, or the individual's partner is ~~an~~ a full or part owner, employee or agent of, or a contractor principal with a for-profit or nonprofit entity or ~~individual independent contractor~~ with whom the charter school contracts, directly or indirectly, for professional services, goods, or facilities. An individual is prohibited from serving as a board member if an immediate family member is an employee of the school or is an individual with whom the school contracts, directly or indirectly, through full or part ownership, for professional services, goods, or facilities. A violation of this prohibition renders a contract voidable at the option of the commissioner or the charter school board of directors. A member of a charter school board of directors who violates this prohibition is individually liable to the charter school for any damage caused by the violation.

(b) No member of the board of directors, employee, officer, or agent of a charter school shall participate in selecting, awarding, or administering a contract if a conflict of interest exists. A conflict exists when:

(1) the board member, employee, officer, or agent;

(2) the immediate family of the board member, employee, officer, or agent;

(3) the partner of the board member, employee, officer, or agent; or

(4) an organization that employs, or is about to employ any individual in clauses (1) to (3),

has a financial or other interest in the entity with which the charter school is contracting. A violation of this prohibition renders the contract void.

(c) Any employee, agent, or board member of the authorizer who participates in the initial review, approval, ongoing oversight, evaluation, or the charter renewal or nonrenewal process or decision is ineligible to serve on the board of directors of a school chartered by that authorizer.

(d) An individual may serve as a member of the board of directors if no conflict of interest under paragraph (a) exists.

(e) The conflict of interest provisions under this subdivision do not apply to compensation paid to a teacher employed as a teacher by the charter school ~~who~~ or a teacher who provides instructional services to the charter school through a cooperative formed under chapter 308A when the teacher also serves as a member of on the charter school board of directors.

~~(f) The conflict of interest provisions under this subdivision do not apply to a teacher who provides services to a charter school through a cooperative formed under chapter 308A when the teacher also serves on the charter school board of directors.~~

Subd. 5. **Conversion of existing schools.** A board of an independent or special school district may convert one or more of its existing schools to charter schools under this section if 60 percent of the full-time teachers at the school sign a petition seeking conversion. The conversion must occur at the beginning of an academic year.

Subd. 6. **Charter contract.** The authorization for a charter school must be in the form of a written contract signed by the authorizer and the board of directors of the charter school. The contract must be completed within 45 business days of the commissioner's approval of the authorizer's affidavit. The authorizer shall submit to the commissioner a copy of the signed charter contract within ten business days of its execution. The contract for a charter school must be in writing and contain at least the following:

(1) a declaration that the charter school will carry out the primary purpose in subdivision 1 and how the school will report its implementation of the primary purpose;

~~(1)~~ (2) a declaration of ~~the~~ any additional purposes in subdivision 1 that the school intends to carry out and how the school will report its implementation of those purposes;

~~(2)~~ (3) a description of the school program and the specific academic and nonacademic outcomes that pupils must achieve;

~~(3)~~ (4) a statement of admission policies and procedures;

~~(4)~~ (5) a governance, management, and administration plan for the school;

~~(5)~~ (6) signed agreements from charter school board members to comply with all federal and state laws governing organizational, programmatic, and financial requirements applicable to charter schools;

~~(6)~~ (7) the criteria, processes, and procedures that the authorizer will use ~~for ongoing oversight of operational, financial, and academic performance~~ to monitor and evaluate the fiscal, operational, and academic performance consistent with subdivision 15, paragraphs (a) and (b);

~~(7)~~ (8) for contract renewal, the formal written performance evaluation of the school that is a prerequisite for reviewing a charter contract under subdivision 15;

~~(8)~~ (9) types and amounts of insurance liability coverage to be obtained by the charter school, consistent with subdivision 8, paragraph (k);

~~(9)~~ (10) consistent with subdivision 25, paragraph (d), a provision to indemnify and hold harmless the authorizer and its officers, agents, and employees from any suit, claim, or liability arising from any operation of the charter school, and the commissioner and department officers, agents, and employees notwithstanding section 3.736;

~~(10)~~ (11) the term of the initial contract, which may be up to five years plus an additional preoperational planning year, and up to five years for a renewed contract or a contract with a new authorizer after a transfer of authorizers, if warranted by the school's academic, financial, and operational performance;

~~(11)~~ (12) how the board of directors or the operators of the charter school will provide special instruction and services for children with a disability under sections 125A.03 to 125A.24, and 125A.65, a description of the financial parameters within which the charter school will operate to provide the special instruction and services to children with a disability;

~~(12) the process and criteria the authorizer intends to use to monitor and evaluate the fiscal and student performance of the charter school, consistent with subdivision 15; and~~

(13) the specific conditions for contract renewal, which identify performance under the primary purpose of subdivision 1 as the most important factor in determining contract renewal; and

~~(13)~~ (14) the plan for an orderly closing of the school under chapter 317A, ~~if~~ whether the closure is a termination for cause, a voluntary termination, or a nonrenewal of the contract, ~~and~~ that includes establishing the responsibilities of the school board of directors and the authorizer and notifying the commissioner, authorizer, school district in which the charter school is located, and parents of enrolled students about the closure, the transfer of student records to students' resident districts, and procedures for closing financial operations.

Subd. 6a. **Audit report.** (a) The charter school must submit an audit report to the commissioner and its authorizer by December 31 each year.

(b) The charter school, with the assistance of the auditor conducting the audit, must include with the report, as supplemental information, a copy of all charter school agreements for corporate management services, including parent company or other administrative, financial, and staffing services. If the entity that provides the professional services to the charter school is exempt from taxation under section 501 of the Internal Revenue Code of 1986, that entity must file with the commissioner by February 15 a copy of the annual return required under section 6033 of the Internal Revenue Code of 1986.

(c) A charter school independent audit report shall include audited financial data of an affiliated building corporation or other component unit.

~~(c)~~ (d) If the audit report finds that a material weakness exists in the financial reporting systems of a charter school, the charter school must submit a written report to the commissioner explaining how the material weakness will be resolved. An auditor, as a condition of providing financial services to a charter school, must agree to make available information about a charter school's financial audit to the commissioner and authorizer upon request.

Subd. 7. **Public status; exemption from statutes and rules.** A charter school is a public school and is part of the state's system of public education. A charter school is exempt from all statutes and rules applicable to a school, school board, or school district unless a statute or rule is made specifically applicable to a charter school or is included in this section.

Subd. 8. **Federal, state, and local requirements.** (a) A charter school shall meet all federal, state, and local health and safety requirements applicable to school districts.

(b) A school must comply with statewide accountability requirements governing standards and assessments in chapter 120B.

(c) A school authorized by a school board may be located in any district, unless the school board of the district of the proposed location disapproves by written resolution.

(d) A charter school must be nonsectarian in its programs, admission policies, employment practices, and all other operations. An authorizer may not authorize a charter school or program that is affiliated with a nonpublic sectarian school or a religious institution. A charter school student must be released for religious instruction, consistent with section 120A.22, subdivision 12, clause (3).

(e) Charter schools must not be used as a method of providing education or generating revenue for students who are being home-schooled. This paragraph does not apply to shared time aid under section 126C.19.

(f) The primary focus of a charter school must be to provide a comprehensive program of instruction for at least one grade or age group from five through 18 years of age. Instruction may be provided to people younger than five years and older than 18 years of age.

(g) A charter school may not charge tuition.

(h) A charter school is subject to and must comply with chapter 363A and section 121A.04.

(i) A charter school is subject to and must comply with the Pupil Fair Dismissal Act, sections 121A.40 to 121A.56, and the Minnesota Public School Fee Law, sections 123B.34 to 123B.39.

(j) A charter school is subject to the same financial audits, audit procedures, and audit requirements as a district, except as required under subdivision 6a. Audits must be conducted in compliance with generally accepted governmental auditing standards, the federal Single Audit Act, if applicable, and section 6.65. A charter school is subject to and must comply with sections 15.054; 118A.01; 118A.02; 118A.03; 118A.04; 118A.05; 118A.06; 471.38; 471.391; 471.392; and 471.425. The audit must comply with the requirements of sections 123B.75 to 123B.83, except to the extent deviations are necessary because of the program at the school. Deviations must be approved by the commissioner and authorizer. The Department of Education, state auditor, legislative auditor, or authorizer may conduct financial, program, or compliance audits. A charter school determined to be in statutory operating debt under sections 123B.81 to 123B.83 must submit a plan under section 123B.81, subdivision 4.

(k) A charter school is a district for the purposes of tort liability under chapter 466.

(l) A charter school must comply with chapters 13 and 13D; and sections 120A.22, subdivision 7; 121A.75; and 260B.171, subdivisions 3 and 5.

(m) A charter school is subject to the Pledge of Allegiance requirement under section 121A.11, subdivision 3.

(n) A charter school offering online courses or programs must comply with section 124D.095.

(o) A charter school and charter school board of directors are subject to chapter 181.

(p) A charter school must comply with section 120A.22, subdivision 7, governing the transfer of students' educational records and sections 138.163 and 138.17 governing the management of local records.

(q) A charter school that provides early childhood health and developmental screening must comply with sections 121A.16 to 121A.19.

(r) A charter school that provides school-sponsored youth athletic activities must comply with section 121A.38.

(s) A charter school is subject to and must comply with continuing truant notification under section 260A.03.

Subd. 8a. **Aid reduction.** The commissioner may reduce a charter school's state aid under section 127A.42 or 127A.43 if the charter school board fails to correct a violation under this section.

Subd. 8b. **Aid reduction for violations.** The commissioner may reduce a charter school's state aid by an amount not to exceed 60 percent of the charter school's basic revenue for the period of time that a violation of law occurs.

Subd. 9. **Admission requirements.** (a) A charter school may limit admission to:

(1) pupils within an age group or grade level;

(2) pupils who are eligible to participate in the graduation incentives program under section 124D.68; or

(3) residents of a specific geographic area in which the school is located when the majority of students served by the school are members of underserved populations.

(b) A charter school shall enroll an eligible pupil who submits a timely application, unless the number of applications exceeds the capacity of a program, class, grade level, or building. In this case, pupils must be accepted by lot. The charter school must develop and publish, including on its Web site, a lottery policy and process that it must use when accepting pupils by lot.

(c) A charter school shall give enrollment preference to a sibling of an enrolled pupil and to a foster child of that pupil's parents and may give preference for enrolling children of the school's staff before accepting other pupils by lot.

(d) A person shall not be admitted to a charter school (1) as a kindergarten pupil, unless the pupil is at least five years of age on September 1 of the calendar year in which the school year for which the pupil seeks admission commences; or (2) as a first grade student, unless the pupil is at least six years of age on September 1 of the calendar year in which the school year for which the pupil seeks admission commences or has completed kindergarten; except that a charter school may establish and publish on its Web site a policy for admission of selected pupils at an earlier age, consistent with the enrollment process in paragraphs (b) and (c).

(e) Except as permitted in paragraph (d), a charter school may not limit admission to pupils on the basis of intellectual ability, measures of achievement or aptitude, or athletic ability and may not establish any criteria or requirements for admission that are inconsistent with this subdivision.

(f) The charter school shall not distribute any services or goods of value to students, parents, or guardians as an inducement, term, or condition of enrolling a student in a charter school.

Subd. 10. **Pupil performance.** A charter school must design its programs to at least meet the outcomes adopted by the commissioner for public school students. In the absence of the commissioner's requirements, the school must meet the outcomes contained in the contract with the authorizer. The achievement levels of the outcomes contained in the contract may exceed the achievement levels of any outcomes adopted by the commissioner for public school students.

Subd. 11. **Employment and other operating matters.** (a) A charter school must employ or contract with necessary teachers, as defined by section 122A.15, subdivision 1, who hold valid licenses to perform the particular service for which they are employed in the school. The charter school's state aid may be reduced under section 127A.43 if the school employs a teacher who is not appropriately licensed or approved by the board of teaching. The school may employ necessary employees who are not required to hold teaching licenses to perform duties other than teaching and may contract for other services. The school may discharge teachers and nonlicensed employees. The charter school board is subject to section 181.932. When offering employment to a prospective employee, a charter school must give that employee a written description of the terms and conditions of employment and the school's personnel policies.

(b) A person, without holding a valid administrator's license, may perform administrative, supervisory, or instructional leadership duties. The board of directors shall establish qualifications for persons that hold administrative, supervisory, or instructional leadership roles. The qualifications shall include at least the following areas: instruction and assessment; human resource and personnel management; financial management; legal and compliance management; effective communication; and board, authorizer, and community relationships. The board of directors shall use those qualifications as the basis for job descriptions, hiring, and performance evaluations of those who hold administrative, supervisory, or instructional leadership roles. The board of directors and an individual who does not hold a valid administrative license and who serves in an administrative, supervisory, or instructional leadership position shall develop a professional development plan. Documentation of the implementation of the professional development plan of these persons shall be included in the school's annual report.

(c) The board of directors also shall decide and be responsible for policy matters related to the operation of the school, including budgeting, curriculum programming, personnel, and operating procedures. The board shall adopt a policy on nepotism in employment. The board shall adopt personnel evaluation policies and practices that, at a minimum:

(1) carry out the school's mission and goals;

(2) evaluate the execution of charter contract goals and commitments;

(3) evaluate student achievement, postsecondary and workforce readiness, and engagement goals; and

(4) provide professional development related to the individual's job responsibilities.

Subd. 12. **Pupils with a disability.** A charter school must comply with sections 125A.02, 125A.03 to 125A.24, and 125A.65 and rules relating to the education of pupils with a disability as though it were a district.

Subd. 13. **Length of school year.** A charter school must provide instruction each year for at least the number of hours required by section 120A.41. It may provide instruction throughout the year according to sections 124D.12 to 124D.127 or 124D.128.

Subd. 14. **Annual public reports.** A charter school must publish an annual report approved by the board of directors. The annual report must at least include information on school enrollment, student attrition, governance and management, staffing, finances, academic performance, ~~operational performance,~~ innovative practices and implementation, and future plans. A charter school must post the annual report on the school's official Web site. The charter school must also distribute the annual report by publication, mail, or electronic means to ~~the commissioner, its~~ authorizer, school employees, and parents and legal guardians of students enrolled in the charter school ~~and must also post the report on the charter school's official Web site.~~ The reports are public data under chapter 13.

Subd. 15. **Review and comment.** (a) The authorizer shall provide a formal written evaluation of the school's performance before the authorizer renews the charter contract. The department must review and comment on the authorizer's evaluation process at the time the authorizer submits its application for approval and each time the authorizer undergoes its five-year review under subdivision 3, paragraph (i).

(b) An authorizer shall monitor and evaluate the ~~fiscal, academic, financial, and operational, and student~~ performance of the school, and may for this purpose annually assess a charter school a fee according to paragraph (c). The agreed-upon fee structure must be stated in the charter school contract.

(c) The fee that ~~each charter school pays to an authorizer each year~~ an authorizer may annually assess is the greater of:

(1) the basic formula allowance for that year; or

(2) the lesser of:

(i) the maximum fee factor times the basic formula allowance for that year; or

(ii) the fee factor times the basic formula allowance for that year times the charter school's adjusted marginal cost pupil units for that year. The fee factor equals ~~.005 in fiscal year 2010, .01 in fiscal year 2011, .013 in fiscal year 2012, and .015 in fiscal years 2013 and later.~~ The maximum fee factor equals ~~1.5 in fiscal year 2010, 2.0 in fiscal year 2011, 3.0 in fiscal year 2012, and 4.0 in fiscal years 2013 and later.~~

(d) An authorizer may not assess a fee for any required services other than as provided in this subdivision.

(e) For the preoperational planning period, after a school is chartered, the authorizer may assess a charter school a fee equal to the basic formula allowance.

(f) By September 30 of each year, an authorizer shall submit to the commissioner a statement of income and expenditures related to chartering activities during the previous school year ending June 30. A copy of the statement shall be given to all schools chartered by the authorizer.

Subd. 16. **Transportation.** (a) A charter school after its first fiscal year of operation by March 1 of each fiscal year and a charter school by July 1 of its first fiscal year of operation must notify the district in which the school is located and the Department of Education if it will provide its own transportation or use the transportation services of the district in which it is located for the fiscal year.

(b) If a charter school elects to provide transportation for pupils, the transportation must be provided by the charter school within the district in which the charter school is located. The state must pay transportation aid to the charter school according to section 124D.11, subdivision 2.

For pupils who reside outside the district in which the charter school is located, the charter school is not required to provide or pay for transportation between the pupil's residence and the border of the district in which the charter school is located. A parent may be reimbursed by the charter school for costs of transportation from the pupil's residence to the border of the district in which the charter school is located if the pupil is from a family whose income is at or below the poverty level, as determined by the federal government. The reimbursement may not exceed the pupil's actual cost of transportation or 15 cents per mile traveled, whichever is less. Reimbursement may not be paid for more than 250 miles per week.

At the time a pupil enrolls in a charter school, the charter school must provide the parent or guardian with information regarding the transportation.

(c) If a charter school does not elect to provide transportation, transportation for pupils enrolled at the school must be provided by the district in which the school is located, according to sections 123B.88, subdivision 6, and 124D.03, subdivision 8, for a pupil residing in the same district in which the charter school is located. Transportation may be provided by the district in which the school is located, according to sections 123B.88, subdivision 6, and 124D.03, subdivision 8, for a pupil residing in a different district. If the district provides the transportation, the scheduling of routes, manner and method of transportation, control and discipline of the pupils, and any other matter relating to the transportation of pupils under this paragraph shall be within the sole discretion, control, and management of the district.

Subd. 17. **Leased space.** A charter school may lease space from an independent or special school board ~~eligible to be an authorizer~~, other public organization, private, nonprofit nonsectarian organization, private property owner, or a sectarian organization if the leased space is constructed as a school facility. The department must review and approve or disapprove leases in a timely manner.

Subd. 17a. **Affiliated nonprofit building corporation.** (a) Before a charter school may organize an affiliated nonprofit building corporation (i) to renovate or purchase an existing facility to serve as a school or (ii) to expand an existing building or construct a new school facility, an authorizer must submit an affidavit to the commissioner for approval in the form and manner the commissioner prescribes, and consistent with paragraphs (b) and (c) or (d).

(b) An affiliated nonprofit building corporation under this subdivision must:

(1) be incorporated under section 317A;



(2) comply with applicable Internal Revenue Service regulations, including regulations for "supporting organizations" as defined by the Internal Revenue Service;

(3) submit to the commissioner each fiscal year a list of current board members and a copy of its annual audit; and

(4) comply with government data practices law under chapter 13.

An affiliated nonprofit building corporation must not serve as the leasing agent for property or facilities it does not own. A charter school that leases a facility from an affiliated nonprofit building corporation that does not own the leased facility is ineligible to receive charter school lease aid. The state is immune from liability resulting from a contract between a charter school and an affiliated nonprofit building corporation.

(c) A charter school may organize an affiliated nonprofit building corporation to renovate or purchase an existing facility to serve as a school if the charter school:

(1) has been operating for at least five consecutive school years;

(2) has had a net positive unreserved general fund balance as of June 30 in the preceding five fiscal years;

(3) has a long-range strategic and financial plan;

(4) completes a feasibility study of available buildings;

(5) documents enrollment projections and the need to use an affiliated building corporation to renovate or purchase an existing facility to serve as a school; and

(6) has a plan for the renovation or purchase, which describes the parameters and budget for the project.

(d) A charter school may organize an affiliated nonprofit building corporation to expand an existing school facility or construct a new school facility if the charter school:

(1) demonstrates the lack of facilities available to serve as a school;

(2) has been operating for at least eight consecutive school years;

(3) has had a net positive unreserved general fund balance as of June 30 in the preceding five fiscal years;

(4) completes a feasibility study of facility options;

(5) has a long-range strategic and financial plan that includes enrollment projections and demonstrates the need for constructing a new school facility; and

(6) has a plan for the expansion or new school facility, which describes the parameters and budget for the project.

**Subd. 17b. Positive review and comment.** (e) A charter school or an affiliated nonprofit building corporation organized by a charter school must not initiate an installment contract for purchase, or a lease agreement, or solicit bids for new construction, expansion, or remodeling of an educational facility that requires an expenditure in excess of \$1,400,000, unless it meets the criteria in subdivision 17a, paragraph (b) and paragraph (c) or (d), as applicable, and receives a positive review and comment from the commissioner under section 123B.71.

Subd. 19. **Disseminate information.** (a) ~~The authorizer, the operators,~~ Authorizers and the department must disseminate information to the public on how to form and operate a charter school. Charter schools must disseminate information about how to use the offerings of a charter school. Targeted groups include low-income families and communities, students of color, and students who are at risk of academic failure.

(b) Authorizers, operators, and the department also may disseminate information about the successful best practices in teaching and learning demonstrated by charter schools.

Subd. 20. **Leave to teach in a charter school.** If a teacher employed by a district makes a written request for an extended leave of absence to teach at a charter school, the district must grant the leave. The district must grant a leave not to exceed a total of five years. Any request to extend the leave shall be granted only at the discretion of the school board. The district may require that the request for a leave or extension of leave be made before February 1 in the school year preceding the school year in which the teacher intends to leave, or February 1 of the calendar year in which the teacher's leave is scheduled to terminate. Except as otherwise provided in this subdivision and except for section 122A.46, subdivision 7, the leave is governed by section 122A.46, including, but not limited to, reinstatement, notice of intention to return, seniority, salary, and insurance.

During a leave, the teacher may continue to aggregate benefits and credits in the Teachers' Retirement Association account under chapters 354 and 354A, consistent with subdivision 22.

Subd. 21. **Collective bargaining.** Employees of the board of directors of a charter school may, if otherwise eligible, organize under chapter 179A and comply with its provisions. The board of directors of a charter school is a public employer, for the purposes of chapter 179A, upon formation of one or more bargaining units at the school. Bargaining units at the school must be separate from any other units within an authorizing district, except that bargaining units may remain part of the appropriate unit within an authorizing district, if the employees of the school, the board of directors of the school, the exclusive representative of the appropriate unit in the authorizing district, and the board of the authorizing district agree to include the employees in the appropriate unit of the authorizing district.

Subd. 22. **Teacher and other employee retirement.** (a) Teachers in a charter school must be public school teachers for the purposes of chapters 354 and 354A.

(b) Except for teachers under paragraph (a), employees in a charter school must be public employees for the purposes of chapter 353.

Subd. 23. **Causes for nonrenewal or termination of charter school contract.** (a) The duration of the contract with an authorizer must be for the term contained in the contract according to subdivision 6. The authorizer may or may not renew a contract at the end of the term for any ground listed in paragraph (b). An authorizer may unilaterally terminate a contract during the term of the contract for any ground listed in paragraph (b). At least 60 business days before not renewing or terminating a contract, the authorizer shall notify the board of directors of the charter school of the proposed action in writing. The notice shall state the grounds for the proposed action in reasonable detail and that the charter school's board of directors may request in writing an informal hearing before the authorizer within 15 business days of receiving notice of nonrenewal or termination of the contract. Failure by the board of directors to make a written request for an informal hearing within the 15-business-day period shall be treated as acquiescence to the proposed action. Upon receiving a timely written request for a hearing, the authorizer shall give ten business days' notice to the charter school's board of directors of the hearing date. The authorizer shall conduct an informal hearing before taking final action. The authorizer shall take final action to renew or not renew a contract no later than 20 business days before the proposed date for terminating the contract or the end date of the contract.

(b) A contract may be terminated or not renewed upon any of the following grounds:

(1) failure to ~~meet~~ demonstrate satisfactory academic achievement for all groups of students, including the requirements for pupil performance contained in the contract;

(2) failure to meet generally accepted standards of fiscal management;

(3) violations of law; or

(4) other good cause shown.

If a contract is terminated or not renewed under this paragraph, the school must be dissolved according to the applicable provisions of chapter 317A.

~~(c) If the authorizer and the charter school board of directors mutually agree to terminate or not renew the contract, a change in authorizers is allowed if the commissioner approves the change to a different eligible authorizer to authorize the charter school. Both parties must jointly submit their intent in writing to the commissioner to mutually terminate the contract. The authorizer that is a party to the existing contract must inform the proposed authorizer about the fiscal and operational status and student performance of the school. Before the commissioner determines whether to approve a change in authorizer, the proposed authorizer must identify any outstanding issues in the proposed charter contract that were unresolved in the previous charter contract and have the charter school agree to resolve those issues. If no change in authorizer is approved, the school must be dissolved according to applicable law and the terms of the contract.~~

(c) If the authorizer and the charter school board of directors mutually agree not to renew the contract, a change in authorizers is allowed. The authorizer and the school board must jointly submit a written and signed letter of their intent to the commissioner to mutually not renew the contract. The authorizer that is a party to the existing contract must inform the proposed authorizer about the fiscal, operational, and student performance status of the school, as well as any outstanding contractual obligations that exist. The charter contract between the proposed authorizer and the school must identify and provide a plan to address any outstanding obligations from the previous contract. The proposed contract must be submitted at least 90 business days before the end of the existing charter contract. The commissioner shall have 30 business days to review and make a determination. The proposed authorizer and the school shall have 15 business days to respond to the determination and address any issues identified by the commissioner. A final determination by the commissioner shall be made no later than 45 business days before the end of the current charter contract. If no change in authorizer is approved, the school and the current authorizer may withdraw their letter of nonrenewal and enter into a new contract. If the transfer of authorizers is not approved and the current authorizer and the school do not withdraw their letter and enter into a new contract, the school must be dissolved according to applicable law and the terms of the contract.

(d) The commissioner, after providing reasonable notice to the board of directors of a charter school and the existing authorizer, and after providing an opportunity for a public hearing, may terminate the existing contract between the authorizer and the charter school board if the charter school has a history of:

(1) failure to meet pupil performance requirements consistent with state law;

(2) financial mismanagement or failure to meet generally accepted standards of fiscal management; or

(3) repeated or major violations of the law.

Subd. 23a. **Related party lease costs.** (a) A charter school is prohibited from entering a lease of real property with a related party unless the lessor is a nonprofit corporation under chapter 317A or a cooperative under chapter 308A, and the lease cost is reasonable under section 124D.11, subdivision 4, clause (1).

(b) For purposes of this section and section 124D.11:

(1) "related party" means an affiliate or immediate relative of the other party in question, an affiliate of an immediate relative, or an immediate relative of an affiliate;

(2) "affiliate" means a person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with another person;

(3) "immediate family" means an individual whose relationship by blood, marriage, adoption, or partnering is no more remote than first cousin;

(4) "person" means an individual or entity of any kind; and

(5) "control" means the ability to affect the management, operations, or policy actions or decisions of a person, whether through ownership of voting securities, by contract, or otherwise.

(c) A lease of real property to be used for a charter school, not excluded in paragraph (a), must contain the following statement: "This lease is subject to Minnesota Statutes, section 124D.10, subdivision 23a."

(d) If a charter school enters into as lessee a lease with a related party and the charter school subsequently closes, the commissioner has the right to recover from the lessor any lease payments in excess of those that are reasonable under section 124D.11, subdivision 4, clause (1).

**Subd. 24. Pupil enrollment upon nonrenewal or termination of charter school contract.** If a contract is not renewed or is terminated according to subdivision 23, a pupil who attended the school, siblings of the pupil, or another pupil who resides in the same place as the pupil may enroll in the resident district or may submit an application to a nonresident district according to section 124D.03 at any time. Applications and notices required by section 124D.03 must be processed and provided in a prompt manner. The application and notice deadlines in section 124D.03 do not apply under these circumstances. The closed charter school must transfer the student's educational records within ten business days of closure to the student's school district of residence where the records must be retained or transferred under section 120A.22, subdivision 7.

**Subd. 25. Extent of specific legal authority.** (a) The board of directors of a charter school may sue and be sued.

(b) The board may not levy taxes or issue bonds.

(c) The commissioner, an authorizer, members of the board of an authorizer in their official capacity, and employees of an authorizer are immune from civil or criminal liability with respect to all activities related to a charter school they approve or authorize. The board of directors shall obtain at least the amount of and types of insurance up to the applicable tort liability limits under chapter 466. The charter school board must submit a copy of the insurance policy to its authorizer ~~and the commissioner~~ before starting operations. The charter school board must submit changes in its insurance carrier or policy to its authorizer ~~and the commissioner~~ within 20 business days of the change.

(d) Notwithstanding section 3.736, the charter school shall assume full liability for its activities and indemnify and hold harmless the authorizer and its officers, agents, and employees from any suit, claim, or liability arising from any operation of the charter school and the commissioner and department officers, agents, and employees. 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.

Subd. 27. **Collaboration between charter school and school district.** (a) A charter school board may voluntarily enter into a two-year, renewable agreement for collaboration to enhance student achievement with a school district within whose geographic boundary it operates.

(b) A school district need not be an approved authorizer to enter into a collaboration agreement with a charter school. A charter school need not be authorized by the school district with which it seeks to collaborate.

(c) A charter school authorizer is prohibited from requiring a collaboration agreement as a condition of entering into or renewing a charter contract as defined in subdivision 6.

(d) Nothing in this subdivision or in the collaboration agreement may impact in any way the authority or autonomy of the charter school.

(e) Nothing in this subdivision or in the collaboration agreement shall cause the state to pay twice for the same student, service, or facility or otherwise impact state funding, or the flow thereof, to the school district or the charter school.

(f) The collaboration agreement may include, but need not be limited to, collaboration regarding facilities, transportation, training, student achievement, assessments, mutual performance standards, and other areas of mutual agreement.

(g) The school district may include the academic performance of the students of a collaborative charter school site operating within the geographic boundaries of the school district, for purposes of student assessment and reporting to the state.

(h) Districts, authorizers, or charter schools entering into a collaborative agreement are equally and collectively subject to the same state and federal accountability measures for student achievement, school performance outcomes, and school improvement strategies. The collaborative agreement and all accountability measures must be posted on the district, charter school, and authorizer Web sites.

**EFFECTIVE DATE.** This section is effective the day following final enactment, except subdivision 23 is effective July 1, 2013, and applies to multiple measurements ratings and focus ratings from the 2010-2011 school year and later.

Sec. 2. Minnesota Statutes 2012, section 260A.02, subdivision 3, is amended to read:

Subd. 3. **Continuing truant.** "Continuing truant" means a child who is subject to the compulsory instruction requirements of section 120A.22 and is absent from instruction in a school, as defined in section 120A.05, without valid excuse within a single school year for:

(1) three days if the child is in elementary school; or

(2) three or more class periods on three days if the child is in middle school, junior high school, or high school.

Nothing in this section shall prevent a school district or charter school from notifying a truant child's parent or legal guardian of the child's truancy or otherwise addressing a child's attendance problems prior to the child becoming a continuing truant.

Sec. 3. Minnesota Statutes 2012, section 260A.03, is amended to read:

**260A.03 NOTICE TO PARENT OR GUARDIAN WHEN CHILD IS A CONTINUING TRUANT.**

Upon a child's initial classification as a continuing truant, the school attendance officer or other designated school official shall notify the child's parent or legal guardian, by first-class mail or other reasonable means, of the following:

- (1) that the child is truant;
- (2) that the parent or guardian should notify the school if there is a valid excuse for the child's absences;
- (3) that the parent or guardian is obligated to compel the attendance of the child at school pursuant to section 120A.22 and parents or guardians who fail to meet this obligation may be subject to prosecution under section 120A.34;
- (4) that this notification serves as the notification required by section 120A.34;
- (5) that alternative educational programs and services may be available in the child's enrolling or resident district;
- (6) that the parent or guardian has the right to meet with appropriate school personnel to discuss solutions to the child's truancy;
- (7) that if the child continues to be truant, the parent and child may be subject to juvenile court proceedings under chapter 260C;
- (8) that if the child is subject to juvenile court proceedings, the child may be subject to suspension, restriction, or delay of the child's driving privilege pursuant to section 260C.201; and
- (9) that it is recommended that the parent or guardian accompany the child to school and attend classes with the child for one day.

Sec. 4. Minnesota Statutes 2012, section 260A.05, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** A school district or charter school may establish one or more school attendance review boards to exercise the powers and duties in this section. The school district or charter school board shall appoint the members of the school attendance review board and designate the schools within the board's jurisdiction. Members of a school attendance review board may include:

- (1) the superintendent of the school district or the superintendent's designee or charter school director or the director's designee;
- (2) a principal and one or more other school officials from within the district or charter school;
- (3) parent representatives;
- (4) representatives from community agencies that provide services for truant students and their families;
- (5) a juvenile probation officer;
- (6) school counselors and attendance officers; and
- (7) law enforcement officers.

Sec. 5. Minnesota Statutes 2012, section 260A.07, subdivision 1, is amended to read:

Subdivision 1. **Establishment; referrals.** A county attorney may establish a truancy mediation program for the purpose of resolving truancy problems without court action. If a student is in a school district or charter school that has established a school attendance review board, the student may be referred to the county attorney under section 260A.06, subdivision 3. If the student's school district or charter school has not established a board, the student may be referred to the county attorney by the school district or charter school if the student continues to be truant after the parent or guardian has been sent or conveyed the notice under section 260A.03.

#### ARTICLE 5 SPECIAL EDUCATION

Section 1. Minnesota Statutes 2012, section 15.059, subdivision 5b, is amended to read:

Subd. 5b. **Continuation dependent on federal law.** Notwithstanding this section, the following councils and committees do not expire unless federal law no longer requires the existence of the council or committee:

- (1) Rehabilitation Council for the Blind, created in section 248.10;
- (2) Juvenile Justice Advisory Committee, created in section 299A.72;
- (3) Governor's Workforce Development Council, created in section 116L.665;
- (4) local workforce councils, created in section 116L.666, subdivision 2;
- (5) Rehabilitation Council, created in section 268A.02, subdivision 2; ~~and~~
- (6) Statewide Independent Living Council, created in section 268A.02, subdivision 2; and
- (7) Interagency Coordinating Council, created in section 125A.28.

Sec. 2. Minnesota Statutes 2012, section 125A.0941, is amended to read:

#### **125A.0941 DEFINITIONS.**

(a) The following terms have the meanings given them.

(b) "Emergency" means a situation where immediate intervention is needed to protect a child or other individual from physical injury ~~or to prevent serious property damage.~~ Emergency does not mean circumstances such as: a child who does not respond to a task or request and instead places his or her head on a desk or hides under a desk or table; a child who does not respond to a staff person's request unless failing to respond would result in physical injury to the child or other individual; or an emergency incident has already occurred and no threat of physical injury currently exists.

(c) "Physical holding" means physical intervention intended to hold a child immobile or limit a child's movement, where body contact is the only source of physical restraint, and where immobilization is used to effectively gain control of a child in order to protect ~~the a~~ child or other ~~person~~ individual from physical injury. The term physical holding does not mean physical contact that:

- (1) helps a child respond or complete a task;

- (2) assists a child without restricting the child's movement;
- (3) is needed to administer an authorized health-related service or procedure; or
- (4) is needed to physically escort a child when the child does not resist or the child's resistance is minimal.

(d) "Positive behavioral interventions and supports" means interventions and strategies to improve the school environment and teach children the skills to behave appropriately.

(e) "Prone restraint" means placing a child in a face down position.

(f) "Restrictive procedures" means the use of physical holding or seclusion in an emergency. Restrictive procedures must not be used to punish or otherwise discipline a child.

(g) "Seclusion" means confining a child alone in a room from which egress is barred. Egress may be barred by an adult locking or closing the door in the room or preventing the child from leaving the room. Removing a child from an activity to a location where the child cannot participate in or observe the activity is not seclusion.

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

Sec. 3. Minnesota Statutes 2012, section 125A.0942, is amended to read:

**125A.0942 STANDARDS FOR RESTRICTIVE PROCEDURES.**

Subdivision 1. **Restrictive procedures plan.** (a) Schools that intend to use restrictive procedures shall maintain and make publicly accessible in an electronic format on a school or district Web site or make a paper copy available upon request describing a restrictive procedures plan for children with disabilities that includes at least ~~the following~~:

- (1) lists the list of restrictive procedures the school intends to use;
- (2) describes how the school will implement a range of positive behavior strategies and provide links to mental health services;
- (3) describes how the school will monitor and review the use of restrictive procedures, including:
  - (i) conducting post-use debriefings, consistent with subdivision 3, paragraph (a), clause (5); and
  - (ii) convening an oversight committee to undertake a quarterly review of the use of restrictive procedures based on patterns or problems indicated by similarities in the time of day, day of the week, duration of the use of a procedure, the individuals involved, or other factors associated with the use of restrictive procedures; the number of times a restrictive procedure is used schoolwide and for individual children; the number and types of injuries, if any, resulting from the use of restrictive procedures; whether restrictive procedures are used in nonemergency situations; the need for additional staff training; and proposed actions to minimize the use of restrictive procedures; and
- (~~3~~) (4) includes a written description and documentation of the training staff completed under subdivision 5.
- (b) Schools annually must publicly identify oversight committee members who must at least include:
  - (1) a mental health professional, school psychologist, or school social worker;
  - (2) an expert in positive behavior strategies;



(3) a special education administrator; and

(4) a general education administrator.

Subd. 2. **Restrictive procedures.** (a) Restrictive procedures may be used only by a licensed special education teacher, school social worker, school psychologist, behavior analyst certified by the National Behavior Analyst Certification Board, a person with a master's degree in behavior analysis, other licensed education professional, highly qualified paraprofessional under section 120B.363, or mental health professional under section 245.4871, subdivision 27, who has completed the training program under subdivision 5.

(b) A school shall make reasonable efforts to notify the parent on the same day a restrictive procedure is used on the child, or if the school is unable to provide same-day notice, notice is sent within two days by written or electronic means or as otherwise indicated by the child's parent under paragraph (d).

~~(c) When restrictive procedures are used twice in 30 days or when a pattern emerges and restrictive procedures are not included in a child's individualized education program or behavior intervention plan,~~ The district must hold a meeting of the individualized education program team, conduct or review a functional behavioral analysis, review data, consider developing additional or revised positive behavioral interventions and supports, consider actions to reduce the use of restrictive procedures, and modify the individualized education program or behavior intervention plan as appropriate. The district must hold the meeting: within ten calendar days after district staff use restrictive procedures on two separate school days within 30 calendar days or a pattern of use emerges and the child's individualized education program or behavior intervention plan does not provide for using restrictive procedures in an emergency; or at the request of a parent or the district after restrictive procedures are used. The district must review use of restrictive procedures at a child's annual individualized education program meeting when the child's individualized education program provides for using restrictive procedures in an emergency.

(d) If the individualized education program team under paragraph (c) determines that existing interventions and supports are ineffective in reducing the use of restrictive procedures or the district uses restrictive procedures on a child on ten or more school days during the same school year, the team, as appropriate, either must consult with other professionals working with the child; consult with experts in behavior analysis, mental health, communication, or autism; consult with culturally competent professionals; review existing evaluations, resources, and successful strategies; or consider whether to reevaluate the child.

(e) At the individualized education program meeting under paragraph (c), the team must review any known medical or psychological limitations, including any medical information the parent provides voluntarily, that contraindicate the use of a restrictive procedure, consider whether to prohibit that restrictive procedure, and document any prohibition in the individualized education program or behavior intervention plan.

~~(d)~~ (f) An individualized education program team may plan for using restrictive procedures and may include these procedures in a child's individualized education program or behavior intervention plan; however, the restrictive procedures may be used only in response to behavior that constitutes an emergency, consistent with this section. The individualized education program or behavior intervention plan shall indicate how the parent wants to be notified when a restrictive procedure is used.

Subd. 3. **Physical holding or seclusion.** (a) Physical holding or seclusion may be used only in an emergency. A school that uses physical holding or seclusion shall meet the following requirements:

(1) ~~the~~ physical holding or seclusion ~~must be~~ is the least intrusive intervention that effectively responds to the emergency;

(2) physical holding or seclusion is not used to discipline a noncompliant child;

(3) physical holding or seclusion ~~must end~~ ends when the threat of harm ends and the staff determines ~~that~~ the child can safely return to the classroom or activity;

~~(3)~~ (4) staff ~~must~~ directly ~~observe~~ observes the child while physical holding or seclusion is being used;

~~(4)~~ (5) each time physical holding or seclusion is used, the staff person who implements or oversees the physical holding or seclusion ~~shall document~~ documents, as soon as possible after the incident concludes, the following information:

(i) a description of the incident that led to the physical holding or seclusion;

(ii) why a less restrictive measure failed or was determined by staff to be inappropriate or impractical;

(iii) the time the physical holding or seclusion began and the time the child was released; and

(iv) a brief record of the child's behavioral and physical status;

~~(5)~~ (6) the room used for seclusion must:

(i) be at least six feet by five feet;

(ii) be well lit, well ventilated, adequately heated, and clean;

(iii) have a window that allows staff to directly observe a child in seclusion;

(iv) have tamperproof fixtures, electrical switches located immediately outside the door, and secure ceilings;

(v) have doors that open out and are unlocked, locked with keyless locks that have immediate release mechanisms, or locked with locks that have immediate release mechanisms connected with a fire and emergency system; and

(vi) not contain objects that a child may use to injure the child or others;

~~(6)~~ (7) before using a room for seclusion, a school must:

(i) receive written notice from local authorities that the room and the locking mechanisms comply with applicable building, fire, and safety codes; and

(ii) register the room with the commissioner, who may view that room; and

~~(7)~~ (8) until August 1, ~~2013~~ 2015, a school district may use prone restraints with children age five or older ~~under the following conditions if:~~

(i) ~~a~~ the district has provided to the department a list of staff who have had specific training on the use of prone restraints;

(ii) ~~a~~ the district provides information on the type of training that was provided and by whom;

(iii) ~~prone restraints may only be used by~~ staff who ~~have~~ received specific training use prone restraints;

(iv) each incident of the use of prone restraints is reported to the department within five working days on a form provided by the department; and

(v) a the district, ~~prior to~~ before using prone restraints, must review any known medical or psychological limitations that contraindicate the use of prone restraints.

~~The department will report back to the chairs and ranking minority members of the legislative committees with primary jurisdiction over education policy by February 1, 2013, on the use of prone restraints in the schools. Consistent with item (iv),~~ The department must collect data on districts' use of prone restraints and publish the data in a readily accessible format on the department's Web site on a quarterly basis.

~~(b) The department must develop a statewide plan by February 1, 2013, to reduce districts' use of restrictive procedures that includes~~ By March 1, 2014, stakeholders must recommend to the commissioner specific and measurable implementation and outcome goals for reducing the use of restrictive procedures and the commissioner must submit to the legislature a report on districts' progress in reducing the use of restrictive procedures that recommends how to further reduce these procedures and eliminate the use of prone restraints. The statewide plan includes the following components: measurable goals; the resources, training, technical assistance, mental health services, and collaborative efforts needed to significantly reduce districts' use of prone restraints; and recommendations to clarify and improve the law governing districts' use of restrictive procedures. ~~The department must convene~~ commissioner must consult with interested stakeholders ~~to develop the statewide plan and identify the need for technical assistance when preparing the report,~~ including representatives of advocacy organizations, special education directors, intermediate school districts, school boards, day treatment providers, county social services, state human services department staff, mental health professionals, and autism experts. ~~To assist the department and stakeholders under this paragraph, school districts must report summary data to the department by July 1, 2012, on districts' use of restrictive procedures during the 2011-2012 school year, including data on the number of incidents involving restrictive procedures, the total number of students on which restrictive procedures were used, the number of resulting injuries, relevant demographic data on the students and school, and other relevant data collected by the district. By June 30 each year, districts must report summary data on their use of restrictive procedures to the department, in a form and manner determined by the commissioner.~~

Subd. 4. **Prohibitions.** The following actions or procedures are prohibited:

- (1) engaging in conduct prohibited under section 121A.58;
- (2) requiring a child to assume and maintain a specified physical position, activity, or posture that induces physical pain;
- (3) totally or partially restricting a child's senses as punishment;
- (4) presenting an intense sound, light, or other sensory stimuli using smell, taste, substance, or spray as punishment;
- (5) denying or restricting a child's access to equipment and devices such as walkers, wheelchairs, hearing aids, and communication boards that facilitate the child's functioning, except when temporarily removing the equipment or device is needed to prevent injury to the child or others or serious damage to the equipment or device, in which case the equipment or device shall be returned to the child as soon as possible;
- (6) interacting with a child in a manner that constitutes sexual abuse, neglect, or physical abuse under section 626.556;
- (7) withholding regularly scheduled meals or water;
- (8) denying access to bathroom facilities; and

(9) physical holding that restricts or impairs a child's ability to breathe, restricts or impairs a child's ability to communicate distress, places pressure or weight on a child's head, throat, neck, chest, lungs, sternum, diaphragm, back, or abdomen, or results in straddling a child's torso.

Subd. 5. **Training for staff.** (a) To meet the requirements of subdivision 1, staff who use restrictive procedures, including highly qualified paraprofessionals, shall complete training in the following skills and knowledge areas:

- (1) positive behavioral interventions;
- (2) communicative intent of behaviors;
- (3) relationship building;
- (4) alternatives to restrictive procedures, including techniques to identify events and environmental factors that may escalate behavior;
- (5) de-escalation methods;
- (6) standards for using restrictive procedures only in an emergency;
- (7) obtaining emergency medical assistance;
- (8) the physiological and psychological impact of physical holding and seclusion;
- (9) monitoring and responding to a child's physical signs of distress when physical holding is being used; ~~and~~
- (10) recognizing the symptoms of and interventions that may cause positional asphyxia when physical holding is used;
- (11) district policies and procedures for timely reporting and documentation of each incident involving use of a restricted procedure; and
- (12) schoolwide programs on positive behavior strategies.

(b) The commissioner, after consulting with the commissioner of human services, must develop and maintain a list of training programs that satisfy the requirements of paragraph (a). The commissioner also must develop and maintain a list of experts to help individualized education program teams reduce the use of restrictive procedures. The district shall maintain records of staff who have been trained and the organization or professional that conducted the training. The district may collaborate with children's community mental health providers to coordinate trainings.

Subd. 6. **Behavior supports.** School districts are encouraged to establish effective schoolwide systems of positive behavior interventions and supports. Nothing in this section or section 125A.0941 precludes the use of reasonable force under sections 121A.582; 609.06, subdivision 1; and 609.379.

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

Sec. 4. Minnesota Statutes 2012, section 125A.27, subdivision 8, is amended to read:

Subd. 8. **Eligibility for Part C.** "Eligibility for Part C" means eligibility for ~~early childhood special education~~ infant and toddler intervention services under section 125A.02 and Minnesota Rules.

Sec. 5. Minnesota Statutes 2012, section 125A.27, subdivision 11, is amended to read:

Subd. 11. **Interagency child find systems.** "Interagency child find systems" means activities developed on an interagency basis with the involvement of interagency early intervention committees and other relevant community groups, including primary referral sources included in Code of Federal Regulations, title 34, section 303.303(c), using rigorous standards to actively seek out, identify, and refer infants and young children, with, or at risk of, disabilities, and their families, including a child to reduce the need for future services. The child find system must mandate referrals for a child under the age of three who: (1) is involved in the subject of a substantiated case of abuse or neglect, or (2) is identified as directly affected by illegal substance abuse, or withdrawal symptoms resulting from prenatal drug exposure, to reduce the need for future services. The referral procedures must specify that a referral must occur within seven calendar days from the date of identification.

Sec. 6. Minnesota Statutes 2012, section 125A.27, subdivision 14, is amended to read:

Subd. 14. **Parent.** "Parent" means ~~the biological parent with parental rights, adoptive parent, legal guardian, or surrogate parent~~ "parent" as defined by Code of Federal Regulations, title 34, section 303.27, or a surrogate parent appointed in accordance with Code of Federal Regulations, title 34, section 303.422, or United States Code, title 20, section 1439(a)(5).

Sec. 7. Minnesota Statutes 2012, section 125A.28, is amended to read:

#### **125A.28 STATE INTERAGENCY COORDINATING COUNCIL.**

An Interagency Coordinating Council of at least 17, but not more than 25 members is established, in compliance with Public Law 108-446, section 641. The members must be appointed by the governor and reasonably represent the population of Minnesota. Council members must elect the council chair, who may not be a representative of the Department of Education. ~~The representative of the commissioner may not serve as the chair.~~ The council must be composed of at least five parents, including persons of color, of children with disabilities under age 12, including at least three parents of a child with a disability under age seven, five representatives of public or private providers of services for children with disabilities under age five, including a special education director, county social service director, local Head Start director, and a community health services or public health nursing administrator, one member of the senate, one member of the house of representatives, one representative of teacher preparation programs in early childhood-special education or other preparation programs in early childhood intervention, at least one representative of advocacy organizations for children with disabilities under age five, one physician who cares for young children with special health care needs, one representative each from the commissioners of commerce, education, health, human services, a representative from the state agency responsible for child care, foster care, mental health, homeless coordinator of education of homeless children and youth, and a representative from Indian health services or a tribal council. Section 15.059, subdivisions 2 to 5, apply to the council. The council must meet at least quarterly.

The council must address methods of implementing the state policy of developing and implementing comprehensive, coordinated, multidisciplinary interagency programs of early intervention services for children with disabilities and their families.

The duties of the council include recommending policies to ensure a comprehensive and coordinated system of all state and local agency services for children under age five with disabilities and their families. The policies must address how to incorporate each agency's services into a unified state and local system of multidisciplinary assessment practices, individual intervention plans, comprehensive systems to find children in need of services, methods to improve public awareness, and assistance in determining the role of interagency early intervention committees.

On the date that Minnesota Part C Annual Performance Report is submitted to the federal Office of Special Education, the council must recommend to the governor and the commissioners of education, health, human services, commerce, and employment and economic development policies for a comprehensive and coordinated system.

On an annual basis, the council must prepare and submit an annual report to the governor and the secretary of the federal Department of Education on the status of early intervention services and programs for infants and toddlers with disabilities and their families under the Individuals with Disabilities Education Act, United States Code, title 20, sections 1471 to 1485 (Part C, Public Law 102-119), as operated in Minnesota. The Minnesota Part C annual performance report may serve as the report.

Notwithstanding any other law to the contrary, the State Interagency Coordinating Council ~~expires on June 30, 2014~~ does not expire unless federal law no longer requires the existence of the council or committee.

Sec. 8. Minnesota Statutes 2012, section 125A.29, is amended to read:

#### **125A.29 RESPONSIBILITIES OF COUNTY BOARDS AND SCHOOL BOARDS.**

(a) It is the joint responsibility of county boards and school boards to coordinate, provide, and pay for appropriate services, and to facilitate payment for services from public and private sources. Appropriate services for children eligible under section 125A.02 must be determined in consultation with parents, physicians, and other educational, medical, health, and human services providers. The services provided must be in conformity with:

(1) an IFSP for each eligible infant and toddler from birth through age two and the infant's or toddler's family including:

(i) American Indian infants and toddlers with disabilities and their families residing on a reservation geographically located in the state;

(ii) infants and toddlers with disabilities who are homeless children and their families; and

(iii) infants and toddlers with disabilities who are wards of the state; or

(2) an individualized education program (IEP) or individual service plan (ISP) for each eligible child ages three through four.

(b) Appropriate early intervention services include ~~family education and counseling, home visits, occupational and physical therapy, speech pathology, audiology, psychological services, special instruction, nursing, respite, nutrition, assistive technology, transportation and related costs, social work, vision services, case management services provided in conformity with an IFSP that are designed to meet the special developmental needs of an eligible child and the needs of the child's family related to enhancing the child's development and that are selected in collaboration with the parent. These services include core early intervention services and additional early intervention services listed in this section and infant and toddler intervention services defined under United States Code, title 20, sections 1431 to 1444 and Code of Federal Regulations, title 34, section 303, including service coordination under section 125A.33, medical services for diagnostic and evaluation purposes, early identification, and screening, assessment, and health services necessary to enable children with disabilities to benefit from early intervention services.~~

(c) School and county boards shall coordinate early intervention services. In the absence of agreements established according to section 125A.39, service responsibilities for children birth through age two are as follows:

(1) school boards must provide, pay for, and facilitate payment for special education and related services required under sections 125A.03 and 125A.06;

(2) county boards must provide, pay for, and facilitate payment for noneducational services of social work, psychology, transportation and related costs, nursing, respite, and nutrition services not required under clause (1).

(d) School and county boards may develop an interagency agreement according to section 125A.39 to establish agency responsibility that assures early intervention services are coordinated, provided, paid for, and that payment is facilitated from public and private sources.

(e) County and school boards must jointly determine the primary agency in this cooperative effort and must notify the commissioner of the state lead agency of their decision.

Sec. 9. Minnesota Statutes 2012, section 125A.30, is amended to read:

**125A.30 INTERAGENCY EARLY INTERVENTION COMMITTEES.**

(a) A school district, group of districts, or special education cooperative, in cooperation with the health and human service agencies located in the county or counties in which the district or cooperative is located, must establish an Interagency Early Intervention Committee for children with disabilities under age five and their families under this section, and for children with disabilities ages three to 22 consistent with the requirements under sections 125A.023 and 125A.027. Committees must include representatives of local health, education, and county human service agencies, county boards, school boards, early childhood family education programs, Head Start, parents of young children with disabilities under age 12, child care resource and referral agencies, school readiness programs, current service providers, and may also include representatives from other private or public agencies and school nurses. The committee must elect a chair from among its members and must meet at least quarterly.

(b) The committee must develop and implement interagency policies and procedures concerning the following ongoing duties:

(1) develop public awareness systems designed to inform potential recipient families, especially parents with premature infants, or infants with other physical risk factors associated with learning or development complications, of available programs and services;

(2) to reduce families' need for future services, and especially parents with premature infants, or infants with other physical risk factors associated with learning or development complications, implement interagency child find systems designed to actively seek out, identify, and refer infants and young children with, or at risk of, disabilities, including a child under the age of three who: (i) is ~~involved in the subject of~~ a substantiated case of abuse or neglect or (ii) is identified as directly affected by illegal substance abuse, or withdrawal symptoms resulting from prenatal drug exposure;

(3) establish and evaluate the identification, referral, ~~child screening, evaluation, child-~~ and family-directed assessment systems, procedural safeguard process, and community learning systems to recommend, where necessary, alterations and improvements;

(4) assure the development of individualized family service plans for all eligible infants and toddlers with disabilities from birth through age two, and their families, and individualized education programs and individual service plans when necessary to appropriately serve children with disabilities, age three and older, and their families and recommend assignment of financial responsibilities to the appropriate agencies;

(5) implement a process for assuring that services involve cooperating agencies at all steps leading to individualized programs;

(6) facilitate the development of a ~~transitional~~ transition plan if a service provider is not recommended to continue to provide services in the individual family service plan by the time a child is two years and nine months old;

(7) identify the current services and funding being provided within the community for children with disabilities under age five and their families;

(8) develop a plan for the allocation and expenditure of ~~additional state and~~ federal early intervention funds under United States Code, title 20, section 1471 et seq. (Part C, Public Law 108-446) and United States Code, title 20, section 631, et seq. (Chapter I, Public Law 89-313); and

(9) develop a policy that is consistent with section 13.05, subdivision 9, and federal law to enable a member of an interagency early intervention committee to allow another member access to data classified as not public.

(c) The local committee shall also:

~~(4) participate in needs assessments and program planning activities conducted by local social service, health and education agencies for young children with disabilities and their families; and~~

~~(2) review and comment on the early intervention section of the total special education system for the district, the county social service plan, the section or sections of the community health services plan that address needs of and service activities targeted to children with special health care needs, the section on children with special needs in the county child care fund plan, sections in Head Start plans on coordinated planning and services for children with special needs, any relevant portions of early childhood education plans, such as early childhood family education or school readiness, or other applicable coordinated school and community plans for early childhood programs and services, and the section of the maternal and child health special project grants that address needs of and service activities targeted to children with chronic illness and disabilities.~~

Sec. 10. Minnesota Statutes 2012, section 125A.32, is amended to read:

**125A.32 INDIVIDUALIZED FAMILY SERVICE PLAN (IFSP).**

(a) A team must participate in IFSP meetings to develop the IFSP. The team shall include:

(1) a parent or parents of the child, as defined in Code of Federal Regulations, title 34, section 303.27;

(2) other family members, as requested by the parent, if feasible to do so;

(3) an advocate or person outside of the family, if the parent requests that the person participate;

(4) the service coordinator who has been working with the family since the initial referral, or who has been designated by the public agency to be responsible for implementation of the IFSP and coordination with other agencies including transition services; ~~and~~

(5) a person or persons involved in conducting evaluations and assessments; and

(6) as appropriate, persons who will be providing early intervention services under the plan to the child or family.



(b) The IFSP must include:

(1) information about the child's developmental status;

(2) family information, with the consent of the family;

(3) measurable results or major outcomes expected to be achieved by the child with the family's assistance, that include developmentally appropriate preliteracy and language skills for the child, and the criteria, procedures, and timelines;

(4) specific early intervention services based on peer-reviewed research, to the extent practicable, necessary to meet the unique needs of the child and the family to achieve the outcomes;

(5) payment arrangements, if any;

(6) medical and other services that the child needs, but that are not required under the Individual with Disabilities Education Act, United States Code, title 20, section 1471 et seq. (Part C, Public Law 108-446) including funding sources to be used in paying for those services and the steps that will be taken to secure those services through public or private sources;

(7) dates and duration of early intervention services;

(8) name of the service coordinator;

(9) steps to be taken to support a child's transition from early infant and toddler intervention services to other appropriate services, including convening a transition conference at least 90 days or, at the discretion of all parties, not more than nine months before the child is eligible for preschool services; and

(10) ~~signature of the parent and~~ authorized signatures of the agencies responsible for providing, paying for, or facilitating payment, or any combination of these, for early infant and toddler intervention services.

Sec. 11. Minnesota Statutes 2012, section 125A.33, is amended to read:

**125A.33 SERVICE COORDINATION.**

(a) The team responsible for the initial evaluation and the child- and family-directed assessment and for developing the IFSP under section 125A.32, if appropriate, must select a service coordinator to carry out service coordination activities on an interagency basis. Service coordination must actively promote a family's capacity and competency to identify, obtain, coordinate, monitor, and evaluate resources and services to meet the family's needs. Service coordination activities include:

(1) coordinating the performance of evaluations and assessments;

(2) facilitating and participating in the development, review, and evaluation of individualized family service plans;

(3) assisting families in identifying available service providers;

(4) coordinating and monitoring the delivery of available services;

(5) informing families of the availability of advocacy services;

(6) coordinating with medical, health, and other service providers;

(7) facilitating the development of a transition plan to preschool, school, or if appropriate, to other services, at least 90 days before the time the child is no longer eligible for ~~early infant and toddler~~ intervention services or, at the discretion of all parties, not more than nine months prior to the child's ~~eligibility for preschool services~~ third birthday, if appropriate;

(8) managing the early intervention record and submitting additional information to the local primary agency at the time of periodic review and annual evaluations; and

(9) notifying a local primary agency when disputes between agencies impact service delivery required by an IFSP.

(b) A service coordinator must be knowledgeable about children and families receiving services under this section, requirements of state and federal law, and services available in the interagency early childhood intervention system. The IFSP must include the name of the services coordinator from the profession most relevant to the child's or family's needs or who is otherwise qualified to carry out all applicable responsibilities under the Individuals with Disabilities Education Act, United States Code, title 20, sections 1471 to 1485 (Part C, Public Law 102-119), who will be responsible for implementing the early intervention services identified in the child's IFSP, including transition services, and coordination with other agencies and persons.

Sec. 12. Minnesota Statutes 2012, section 125A.35, subdivision 1, is amended to read:

Subdivision 1. **Lead agency; allocation of resources.** The state lead agency must administer the early intervention account that consists of federal allocations. The Part C state plan must state the amount of federal resources in the early intervention account available for use by local agencies. The state lead agency must distribute the funds to the local primary agency designated by an Interagency Early Intervention Committee based on a formula that includes a December 1 count of the prior year of Part C eligible children for the following purposes:

(1) as provided in Code of Federal Regulations, title 34, part ~~303.425~~ 303.430, to arrange for payment for early intervention services not elsewhere available, or to pay for services during the pendency of a conflict procedure, including mediation, complaints, due process hearings, and interagency disputes; and

(2) to support interagency child find system activities.

Sec. 13. Minnesota Statutes 2012, section 125A.36, is amended to read:

#### **125A.36 PAYMENT FOR SERVICES.**

Core early intervention services must be provided at public expense with no cost to parents. Parents must be requested to assist in the cost of additional early intervention services by using third-party payment sources ~~and applying for available resources~~. Payment structures permitted under state law must be used to pay for additional early intervention services. Parental financial responsibility must be clearly defined in the IFSP. A parent's inability to pay must not prohibit a child from receiving needed early intervention services.

Sec. 14. Minnesota Statutes 2012, section 125A.43, is amended to read:

#### **125A.43 MEDIATION PROCEDURE.**

(a) The commissioner, or the commissioner's designee, of the state lead agency must use federal funds to provide mediation for the activities in paragraphs (b) and (c).

(b) A parent may resolve a dispute regarding issues in section 125A.42, paragraph (b), clause (5), through mediation. If the parent chooses mediation, mediation must be voluntary on the part of the parties. The parent and the public agencies must complete the mediation process within 30 calendar days of the date the ~~Office of Dispute~~

~~Resolution~~ Department of Education receives a parent's written request for mediation signed by the parent and the district. The mediation process may not be used to delay a parent's right to a due process hearing. The resolution of the mediation is ~~not binding on any party~~ both parties.

(c) Resolution of a dispute through mediation, or other form of alternative dispute resolution, is not limited to formal disputes arising from the objection of a parent or guardian and is not limited to the period following a request for a due process hearing.

(d) The commissioner shall provide training and resources to school districts to facilitate early identification of disputes and access to mediation.

(e) The local primary agency may request mediation on behalf of involved agencies when there are disputes between agencies regarding responsibilities to coordinate, provide, pay for, or facilitate payment for early intervention services.

Sec. 15. **RULEMAKING AUTHORITY.**

The commissioner of education shall amend Minnesota Rules related to the provision of special education under Part C of the Individuals with Disabilities Education Act using the expedited rulemaking process in Minnesota Statutes, section 14.389. The commissioner shall amend rules in response to new federal regulations in Code of Federal Regulations, title 34, part 303, including definitions of and procedures related to evaluation and assessment, including assessment of the child and family, initial evaluation and assessment, native language, the use of informed clinical opinion as an independent basis to establish eligibility, and transition of a toddler from Part C consistent with Code of Federal Regulations, title 34, sections 303.24, 303.25, and 303.321.

Sec. 16. **APPROPRIATION.**

\$...... is appropriated from the general fund in fiscal year 2014 to the commissioner of education to help school districts address the needs of children subject to a high use of prone restraints under Minnesota Statutes, sections 125A.0941 and 125A.0942, and work with the commissioner of human services to coordinate appropriations, resources, and staff expertise to help these children.

**EFFECTIVE DATE.** This section is effective July 1, 2013.

Sec. 17. **REPEALER.**

Minnesota Statutes 2012, section 125A.35, subdivisions 4 and 5, are repealed.

ARTICLE 6  
EARLY CHILDHOOD

Section 1. Laws 2011, First Special Session chapter 11, article 7, section 2, subdivision 8, as amended by Laws 2012, chapter 239, article 3, section 4, is amended to read:

Subd. 8. **Early childhood education scholarships.** For grants to early childhood education scholarships for public or private early childhood preschool programs for children ages 3 to 5:

\$2,000,000	.....	2013
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(a) All children whose parents or legal guardians meet the eligibility requirements of paragraph (b) established by the commissioner are eligible to receive early childhood education scholarships under this section.

(b) A parent or legal guardian is eligible for an early childhood education scholarship if the parent or legal guardian:

(1) has a child three or four years of age on September 1, beginning in calendar year 2012; and

(2)(i) has income equal to or less than 47 percent of the state median income in the current calendar year; or

(ii) can document their child's identification through another public funding eligibility process, including the Free and Reduced Price Lunch Program, National School Lunch Act, United States Code, title 42, section 1751, part 210; Head Start under federal Improving Head Start for School Readiness Act of 2007; Minnesota family investment program under chapter 256J; and child care assistance programs under chapter 119B. Early childhood scholarships may not be counted as earned income for the purposes of medical assistance, MinnesotaCare, MFIP, child care assistance, or Head Start programs.

Each year, if this appropriation is insufficient to provide early childhood education scholarships to all eligible children, the Department of Education shall make scholarships available on a first-come, first-served basis.

The commissioner of education shall submit a written report to the education committees of the legislature by January 15, 2012, describing its plan for implementation of scholarships under this subdivision for the 2012-2013 school year.

Any balance in the first year does not cancel but is available in the second year.

The base for this program is \$3,000,000 each year."

Delete the title and insert:

"A bill for an act relating to education; modifying policies for early childhood through grade 12 and adult education, including student accountability, educators, school programs and operations, charter schools, special education, and early childhood education; authorizing rulemaking; requiring reports; appropriating money; amending Minnesota Statutes 2012, sections 15.059, subdivision 5b; 120A.40; 120A.41; 120B.02; 120B.021, subdivision 1; 120B.023; 120B.024; 120B.125; 120B.128; 120B.15; 120B.30, subdivisions 1, 1a; 120B.31, subdivision 1; 120B.35, subdivision 3; 120B.36, subdivision 1; 121A.22, subdivision 2; 121A.2205; 122A.09, subdivision 4; 122A.14, subdivision 1; 122A.18, subdivision 2; 122A.23, subdivision 2; 122A.28, subdivision 1; 122A.33, subdivision 3; 123B.88, subdivision 22; 123B.92, subdivision 1; 124D.10; 124D.122; 124D.52, by adding a subdivision; 124D.59, subdivision 2; 124D.61; 124D.79, subdivision 1, by adding a subdivision; 125A.0941; 125A.0942; 125A.27, subdivisions 8, 11, 14; 125A.28; 125A.29; 125A.30; 125A.32; 125A.33; 125A.35, subdivision 1; 125A.36; 125A.43; 126C.10, subdivision 14; 260A.02, subdivision 3; 260A.03; 260A.05, subdivision 1; 260A.07, subdivision 1; Laws 2011, First Special Session chapter 11, article 7, section 2, subdivision 8, as amended; proposing coding for new law in Minnesota Statutes, chapters 120B; 121A; 124D; repealing Minnesota Statutes 2012, section 125A.35, subdivisions 4, 5; Minnesota Rules, parts 3501.0010; 3501.0020; 3501.0030, subparts 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16; 3501.0040; 3501.0050; 3501.0060; 3501.0090; 3501.0100; 3501.0110; 3501.0120; 3501.0130; 3501.0140; 3501.0150; 3501.0160; 3501.0170; 3501.0180; 3501.0200; 3501.0210; 3501.0220; 3501.0230; 3501.0240; 3501.0250; 3501.0270; 3501.0280, subparts 1, 2; 3501.0290; 3501.0505; 3501.0510; 3501.0515; 3501.0520; 3501.0525; 3501.0530; 3501.0535; 3501.0540; 3501.0545; 3501.0550; 3501.1000; 3501.1020; 3501.1030; 3501.1040; 3501.1050; 3501.1100; 3501.1120; 3501.1130; 3501.1140; 3501.1150; 3501.1160; 3501.1170; 3501.1180; 3501.1190."

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

The report was adopted.

Mullery from the Committee on Early Childhood and Youth Development Policy to which was referred:

H. F. No. 1192, A bill for an act relating to public health; requiring notification of autism service options for medical assistance and MinnesotaCare recipients; requiring medical assistance to cover specified services for the treatment of autism; requiring commissioner of health to research and report on autism; requiring commissioners of health and human services to train autism service providers; amending Minnesota Statutes 2012, section 256B.0625, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 256.

Reported the same back with the following amendments:

Page 1, line 25, delete "or" and insert a comma and after "psychologist" insert ", or other mental health professionals"

Page 2, line 1, delete everything after "current" and insert "Diagnostic and Statistical Manual of Mental Disorders"

Page 2, line 2, delete "and Prevention"

Page 2, delete section 3 and insert:

"Sec. 3. **AUTISM RESEARCH AND REPORT.**

The commissioner of health shall design a study that addresses issues of the prevention of autism in cultural communities in Minnesota. The study must plan to address at least the following factors: potential or known toxic environmental exposures of the biological family, housing conditions, poverty, nutritional factors, prescribed medical treatments, the occupational and residential history of the children's parents including war and refugee experience. The commissioner shall report the proposed study design to the chairs and ranking minority members of legislative committees having jurisdiction over public health and health and human services in the house of representatives and senate by January 15, 2014."

Renumber the sections in sequence and correct the internal references

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

The report was adopted.

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

H. F. No. 1199, A bill for an act relating to taxes; individual income; modifying the small business investment credit; amending Minnesota Statutes 2012, section 116J.8737, subdivisions 1, 2, 8.

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

The report was adopted.

Erhardt from the Committee on Transportation Policy to which was referred:

H. F. No. 1214, A bill for an act relating to commerce; regulating motor vehicles; amending regulation of scrap metal processing; requiring proof of ownership or hold period for vehicles purchased for scrap; creating the automated property system; creating criminal penalties; amending Minnesota Statutes 2012, sections 168.27, subdivisions 1a, 19a, 23; 168A.153, subdivision 3; 325E.21, subdivisions 1, 1a, 3, 6, 8, 9, by adding subdivisions.

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

The report was adopted.

Erhardt from the Committee on Transportation Policy to which was referred:

H. F. No. 1219, A bill for an act relating to the Metropolitan Airports Commission; requiring commission meetings to be held outside of the airport security area; amending Minnesota Statutes 2012, section 473.604, by adding a subdivision.

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

The report was adopted.

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

H. F. No. 1226, A bill for an act relating to public safety; providing enhanced penalties for causing the death of or assaulting a prosecuting attorney; amending Minnesota Statutes 2012, sections 609.185; 609.221, subdivision 2; 609.2231, subdivision 3.

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

The report was adopted.

Mullery from the Committee on Early Childhood and Youth Development Policy to which was referred:

H. F. No. 1239, A bill for an act relating to human services; modifying provisions related to licensing data, human services licensing, child care programs, financial fraud and abuse investigations, vendors of chemical dependency treatment services, background studies, and fair hearings; requiring the use of NETStudy for background studies; amending Minnesota Statutes 2012, sections 13.46, subdivisions 3, 4; 119B.125, subdivision 1b; 168.012, subdivision 1; 245A.02, subdivision 5a; 245A.04, subdivisions 1, 5, 11; 245A.06, subdivision 1; 245A.07, subdivisions 2, 3, by adding a subdivision; 245A.08, subdivisions 2a, 5a; 245A.146, subdivisions 3, 4; 245A.50, subdivision 4; 245A.65, subdivision 1; 245A.66, subdivision 1; 245B.02, subdivision 10; 245B.04; 245B.05, subdivisions 1, 7; 245B.07, subdivisions 5, 9, 10; 245C.04; 245C.05, subdivision 6; 245C.08, subdivision 1; 245C.16, subdivision 1; 245C.20, subdivision 1; 245C.22, subdivision 1; 245C.23, subdivision 2; 245C.24, subdivision 2; 245C.28, subdivisions 1, 3; 245C.29, subdivision 2; 254B.05, subdivision 5; 256.01, subdivision 18d; 256.045, subdivision 3b; 268.19, subdivision 1; 471.346; proposing coding for new law in Minnesota Statutes, chapter 245A; repealing Minnesota Statutes 2012, sections 245B.02, subdivision 8a; 245B.07, subdivision 7a.

Reported the same back with the following amendments:

Page 18, after line 26, insert:

"Sec. 12. [245A.1446] FAMILY CHILD CARE DIAPERING AREA DISINFECTION.

Notwithstanding Minnesota Rules, part 9502.0435, a family child care provider may disinfect the diaper changing surface with either a solution of at least two teaspoons of chlorine bleach to one quart of water or with a surface disinfectant that meets the following criteria:

(1) the manufacturer's label or instructions state that the product is registered with the United States Environmental Protection Agency;

(2) the manufacturer's label or instructions state that the disinfectant is effective against Staphylococcus aureus, Salmonella choleraesuis, and Pseudomonas aeruginosa;

(3) the manufacturer's label or instructions state that the disinfectant is effective with a ten minute or less contact time;

(4) the disinfectant is clearly labeled by the manufacturer with directions for mixing and use; and

(5) the disinfectant is used only in accordance with the manufacturer's directions."

Page 39, delete article 5

Reorder the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 4, delete "background"

Page 1, line 5, delete "studies," and delete "requiring the use of NETStudy for background studies;"

Correct the title numbers accordingly

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

The report was adopted.

Nelson from the Committee on Government Operations to which was referred:

H. F. No. 1255, A bill for an act relating to telecommunications; broadband; establishing the Office of Broadband Development in the Department of Commerce and assigning it duties; requiring the Department of Transportation to post a database on its Web site; requiring reports; amending Minnesota Statutes 2012, section 237.012, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 161; 237.

Reported the same back with the following amendments:

Page 1, delete lines 22 to 25

Page 2, line 1, delete "(d)" and insert "(c)"

Page 4, line 35, delete "Departments of Commerce and" and insert "Department of"

Page 5, line 2, delete "or near"

Page 5, line 3, delete everything after "construction"

Page 5, line 4, delete "alongside state-owned infrastructure" and delete the fourth comma

Page 5, line 5, delete "roads."

Page 5, line 6, delete "Departments of Commerce and" and insert "Department of" and delete "develop" and insert "evaluate"

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

The report was adopted.

Nelson from the Committee on Government Operations to which was referred:

H. F. No. 1257, A bill for an act relating to education; clarifying basic skills requirements for teacher candidates and licensure; establishing an advisory task force; amending Minnesota Statutes 2012, sections 122A.09, subdivision 4; 122A.18, subdivision 2; 122A.23, subdivision 2.

Reported the same back with the following amendments:

Page 8, line 20, after "Teaching" insert "and the commissioner of education jointly"

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

The report was adopted.

Nelson from the Committee on Government Operations to which was referred:

H. F. No. 1278, A bill for an act relating to poverty; requiring commissioners to provide a poverty impact statement on bills when requested by a legislator.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on State Government Finance and Veterans Affairs.

The report was adopted.



Erhardt from the Committee on Transportation Policy to which was referred:

H. F. No. 1280, A bill for an act relating to motor vehicles; prohibiting use of driver feedback and safety-monitoring equipment in certain vehicles; amending Minnesota Statutes 2012, section 169.71, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2012, section 169.71, subdivision 1, is amended to read:

Subdivision 1. **Prohibitions generally; exceptions.** (a) A person shall not drive or operate any motor vehicle with:

(1) a windshield cracked or discolored to an extent to limit or obstruct proper vision;

(2) any objects suspended between the driver and the windshield, other than:

(i) sun visors;

(ii) rearview mirrors;

(iii) driver feedback and safety-monitoring equipment when ~~mounted immediately behind, slightly above, or slightly below~~ attached to the rearview mirror;

(iv) global positioning systems or navigation systems when mounted or located near the bottommost portion of the windshield; and

(v) electronic toll collection devices; or

(3) any sign, poster, or other nontransparent material upon the front windshield, sidewings, or side or rear windows of the vehicle, other than a certificate or other paper required to be so displayed by law or authorized by the state director of the Division of Emergency Management or the commissioner of public safety.

(b) Paragraph (a), clauses (2) and (3), do not apply to law enforcement vehicles.

(c) Paragraph (a), clause (2), does not apply to authorized emergency vehicles.

(d) Driver feedback and safety-monitoring equipment under paragraph (a), clause (2), installed in a motor carrier of railroad employees under section 221.0255 shall:

(1) be smaller than 1-1/4 inches tall, 1-1/2 inches wide, and one inch in depth;

(2) be licensed annually for use in Minnesota;

(3) be made available for inspection;

(4) focus solely on the person operating the vehicle; and

(5) not disperse or emanate any clear or colored light beam toward the driver or occupant, or otherwise inhibit the driver's ability to safely operate the vehicle.

**EFFECTIVE DATE.** This section is effective August 1, 2014."

Amend the title as follows:

Page 1, line 2, delete "prohibiting" and insert "regulating"

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

The report was adopted.

Mullery from the Committee on Early Childhood and Youth Development Policy to which was referred:

H. F. No. 1293, A bill for an act relating to juvenile justice services; requiring discussion of specified issues and a report to the legislature.

Reported the same back with the following amendments:

Page 2, delete lines 15 and 16 and insert:

"(c) The National Alliance on Mental Illness shall report to the legislature on results of discussions under this section by February 15, 2014, after consulting with the commissioners of human services, corrections, and education."

With the recommendation that when so amended the bill pass.

The report was adopted.

Mullery from the Committee on Early Childhood and Youth Development Policy to which was referred:

H. F. No. 1328, A bill for an act relating to human services; modifying the child care assistance accreditation bonus; amending Minnesota Statutes 2012, section 119B.13, subdivision 3a.

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.

Nelson from the Committee on Government Operations to which was referred:

H. F. No. 1337, A bill for an act relating to education; providing for a series of statewide assessments aligned with state academic standards and career and college readiness benchmarks; appropriating money; amending Minnesota Statutes 2012, sections 120B.125; 120B.128; 120B.30, subdivisions 1, 1a; 120B.36, subdivision 1; 124D.52, by adding a subdivision; repealing Minnesota Rules, parts 3501.0010; 3501.0020; 3501.0030, subparts 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16; 3501.0040; 3501.0050; 3501.0060; 3501.0090; 3501.0100; 3501.0110; 3501.0120; 3501.0130; 3501.0140; 3501.0150; 3501.0160; 3501.0170; 3501.0180; 3501.0200; 3501.0210; 3501.0220; 3501.0230; 3501.0240; 3501.0250; 3501.0270; 3501.0280, subparts 1, 2; 3501.0290; 3501.1000; 3501.1020; 3501.1030; 3501.1040; 3501.1050; 3501.1110; 3501.1120; 3501.1130; 3501.1140; 3501.1150; 3501.1160; 3501.1170; 3501.1180; 3501.1190.

Reported the same back with the following amendments:

Page 14, line 22, after the second semicolon, insert "the Minnesota Department of Employment and Economic Development; the Minnesota Chamber of Commerce; the Minnesota Business Partnership;"

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

The report was adopted.

Erhardt from the Committee on Transportation Policy to which was referred:

H. F. No. 1416, A bill for an act relating to transportation; highways; amending certain legislative routes of the trunk highway system; removing certain legislative routes from the trunk highway system; amending Minnesota Statutes 2012, section 161.115, subdivision 229, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2012, section 160.80, subdivision 1, is amended to read:

Subdivision 1. **Commissioner may establish program.** (a) The commissioner of transportation may establish a sign franchise program for the purpose of providing on the right-of-way of interstate and controlled-access trunk highways specific information on gas, food, camping, lodging, attractions, and 24-hour pharmacies for the benefit of the motoring public.

(b) The sign franchise program must include urban interstate highways.

Sec. 2. Minnesota Statutes 2012, section 160.80, subdivision 1a, is amended to read:

Subd. 1a. **Eligibility criteria for business panels.** (a) To be eligible for a business panel on a logo sign panel, a business establishment must:

(1) be open for business;

(2) have a sign on site that both identifies the business and is visible to motorists;

(3) be open to everyone, regardless of race, religion, color, age, sex, national origin, creed, marital status, sexual orientation, or disability; and

(4) ~~not impose a cover charge or otherwise require customers to purchase additional products or services; and~~

(5) ~~meet the appropriate criteria in paragraphs (b) to (k).~~

(b) Gas businesses must provide vehicle services including fuel gas or alternative fuels and oil; restroom facilities and drinking water; continuous, staffed operation at least 12 hours a day, seven days a week; and public access to a telephone.

(c) Food businesses must serve at least two meals a day during normal mealtimes of breakfast, lunch, and dinner; provide a continuous, staffed food service operation at least ~~ten hours a day, seven days a~~ six days per week except holidays as defined in section 645.44, subdivision 5, and except as provided for seasonal food service businesses;

provide seating capacity for at least 20 people; provide restroom facilities; provide public access to a telephone; and possess any required state or local licensing or approval. Seasonal food service businesses must provide a continuous, staffed food service operation ~~at least ten hours a day~~ servicing at least two meals per day six days per week, seven days a week, during their months of operation.

(d) Lodging businesses must include sleeping accommodations, provide public access to a telephone, provide restroom facilities, and possess any required state or local licensing or approval.

(e) Camping businesses must include sites for camping, include parking accommodations for each campsite, provide sanitary facilities and drinking water, and possess any required state or local licensing or approval.

(f) 24-hour pharmacy businesses must be continuously operated 24 hours per day, seven days per week, and must have a state-licensed pharmacist present and on duty at all times.

(g) Attractions businesses must have regional significance with the primary purpose of providing amusement, historical, cultural, or leisure activities to the public; provide restroom facilities and drinking water; possess any required state or local licensing approval; and provide adequate bus and vehicle parking accommodations for normal attendance.

~~(g)~~ (h) Seasonal businesses must indicate to motorists when they are open for business by either putting the full months of operation directly on the business panel ~~or by having a "closed" plaque applied to the business panel when the business is closed for the season.~~

~~(h)~~ (i) The maximum distance that an eligible business in ~~Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington County~~ an urban area can be located from the interchange is: for gas, food, lodging, attraction, and 24-hour pharmacy businesses, ~~one mile~~ three miles; for food businesses, ~~two miles~~; for lodging businesses and 24-hour pharmacies, ~~three miles~~; and for camping businesses, ten miles.

~~(i)~~ (j) The maximum distance that an eligible business in ~~any other county~~ a rural area can be located from the interchange shall not exceed 15 miles in either direction, except the maximum distance that an eligible 24-hour pharmacy business can be located from the interchange shall not exceed three miles in either direction.

~~(j) Logo sign panels must be erected so that motorists approaching an interchange view the panels in the following order: 24-hour pharmacy, camping, lodging, food, gas.~~

~~(k) If there is insufficient space on a logo sign panel to display all eligible businesses for a specific type of service, the businesses closest to the interchange have priority over businesses farther away from the interchange.~~

(k) If there is available space on a logo sign panel and no application has been received by the franchise from a fully eligible business, a substantially eligible business may be allowed the space.

Sec. 3. Minnesota Statutes 2012, section 160.80, subdivision 2, is amended to read:

Subd. 2. **Franchises.** The commissioner may, by public negotiation or bid, grant one or more franchises to qualified persons to erect and maintain, on the right-of-way of interstate and controlled-access trunk highways, signs informing the motoring public of gas, food, lodging, camping facilities, attractions, and 24-hour pharmacies. A franchisee shall furnish, install, maintain, and replace signs for the benefit of advertisers who provide gas, food, lodging, camping facilities, attractions, and 24-hour pharmacies for the general public, and lease advertising space on the signs to operators of these facilities.

Sec. 4. Minnesota Statutes 2012, section 161.04, subdivision 5, is amended to read:

Subd. 5. **Trunk highway emergency relief account.** (a) The trunk highway emergency relief account is created in the trunk highway fund. Money in the account is appropriated to the commissioner to be used to fund relief activities related to an emergency, as defined in section 161.32, subdivision 3, or under section 12A.16, subdivision 1.

(b) Reimbursements by the Federal Highway Administration for emergency relief payments made from the trunk highway emergency relief account must be credited to the account. ~~Interest accrued on the account must be credited to the account.~~ Notwithstanding section 16A.28, money in the account is available until spent. If the balance of the account at the end of a fiscal year is greater than \$10,000,000, the amount above \$10,000,000 must be canceled to the trunk highway fund.

(c) By September 1, 2012, and in every subsequent even-numbered year by September 1, the commissioner shall submit a report to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over transportation policy and finance. The report must include the balance, as well as details of payments made from and deposits made to the trunk highway emergency relief account since the last report.

Sec. 5. Minnesota Statutes 2012, section 161.115, subdivision 229, is amended to read:

Subd. 229. **Route No. 298.** Beginning at a point on Route No. 21 in the city of Faribault; thence extending in a southerly ~~and easterly~~ direction ~~through the grounds of the Minnesota State Academy for the Blind, the Faribault Regional Treatment Center, and the Minnesota Correctional Facility — Faribault~~ to a point on Route No. 323.

Sec. 6. Minnesota Statutes 2012, section 161.115, is amended by adding a subdivision to read:

Subd. 270. **Route No. 339.** Beginning at a point on Route No. 45, thence extending easterly to a point on the boundary line between the states of Minnesota and Wisconsin.

Sec. 7. Minnesota Statutes 2012, section 161.1231, subdivision 8, is amended to read:

Subd. 8. **Special account.** Fees collected by the commissioner under this section must be deposited in the state treasury and credited to a special account. Money in the account is appropriated to the commissioner to construct, operate, repair, and maintain: (1) the parking facilities and the high occupancy vehicle, (2) managed lanes on I-394, and (3) related multimodal and technology improvements that serve users of the parking facilities.

Sec. 8. Minnesota Statutes 2012, section 161.14, is amended by adding a subdivision to read:

Subd. 73. **Officer Tom Decker Memorial Highway.** That segment of marked Trunk Highway 23 from the east border of the township of Wakefield to the west border of the city of Richmond is designated as "Officer Tom Decker Memorial Highway." Subject to section 161.139, the commissioner shall adopt a suitable design to mark this highway and erect appropriate signs.

Sec. 9. Minnesota Statutes 2012, section 162.02, subdivision 3a, is amended to read:

Subd. 3a. **Variations from rules and engineering standards.** (a) The commissioner may grant variations from the rules and from the engineering standards developed pursuant to section 162.021 or 162.07, subdivision 2. A political subdivision in which a county state-aid highway is located or is proposed to be located may submit a written request to the commissioner for a variance for that highway. The commissioner shall comply with section 174.75, subdivision 5, in evaluating a variance request related to a complete streets project.

(b) ~~The commissioner shall publish notice of the request in the State Register and give notice to all persons known to the commissioner to have an interest in the matter.~~ The commissioner may grant or deny the variance within 30 days of providing notice of receiving the variance request. ~~If a written objection to the request is received within seven days of providing notice, the variance shall be granted or denied only after a contested case hearing has been held on the request.~~ If no timely objection is received and the variance is denied ~~without hearing~~, the political subdivision may request, within 30 days of receiving notice of denial, and shall be granted a contested case hearing.

(c) For purposes of this subdivision, "political subdivision" includes (1) an agency of a political subdivision which has jurisdiction over parks, and (2) a regional park authority.

Sec. 10. Minnesota Statutes 2012, section 162.09, subdivision 3a, is amended to read:

Subd. 3a. **Variations from rules and engineering standards.** (a) The commissioner may grant variances from the rules and from the engineering standards developed pursuant to section 162.13, subdivision 2. A political subdivision in which a municipal state-aid street is located or is proposed to be located may submit a written request to the commissioner for a variance for that street. The commissioner shall comply with section 174.75, subdivision 5, in evaluating a variance request related to a complete streets project.

(b) ~~The commissioner shall publish notice of the request in the State Register and give notice to all persons known to the commissioner to have an interest in the matter.~~ The commissioner may grant or deny the variance within 30 days of providing notice of receiving the variance request. ~~If a written objection to the request is received within seven days of providing notice, the variance shall be granted or denied only after a contested case hearing has been held on the request.~~ If no timely objection is received and the variance is denied ~~without hearing~~, the political subdivision may request, within 30 days of receiving notice of denial, and shall be granted a contested case hearing.

(c) For purposes of this subdivision, "political subdivision" includes (1) an agency of a political subdivision which has jurisdiction over parks, and (2) a regional park authority.

Sec. 11. Minnesota Statutes 2012, section 162.13, subdivision 2, is amended to read:

Subd. 2. **Money needs defined.** For the purpose of this section money needs of each city having a population of 5,000 or more are defined as the estimated cost of constructing and maintaining over a period of 25 years the municipal state-aid street system in such city. Right-of-way costs and drainage shall be included in money needs. Lighting costs and other costs incidental to construction and maintenance, or a specified portion of such costs, as set forth in the commissioner's rules, may be included in determining money needs. ~~When a county locates a county state-aid highway over a portion of a street in any such city and the remaining portion is designated as a municipal state-aid street only the construction and maintenance costs of the portion of the street other than the portions taken over by the county shall be included in the money needs of the city.~~ To avoid variances in costs due to differences in construction and maintenance policy, construction and maintenance costs shall be estimated on the basis of the engineering standards developed cooperatively by the commissioner and the engineers, or a committee thereof, of the cities.

Sec. 12. Minnesota Statutes 2012, section 168.017, subdivision 2, is amended to read:

Subd. 2. **12 uniform registration periods.** There are established 12 registration periods, each to be designated by a calendar month and to start on the first day of such month and end on the last day of the 12th month from the date of commencing. ~~The registrar shall administer the monthly series system of registration to distribute the work of registering vehicles described in subdivision 1 as uniformly as practicable through the calendar year.~~ The registrar shall register all vehicles subject to registration under the monthly series system for a minimum period of 12 consecutive calendar months.

Sec. 13. Minnesota Statutes 2012, section 168.017, subdivision 3, is amended to read:

Subd. 3. **Exceptions.** ~~(a)~~ The registrar shall register all vehicles subject to registration under the monthly series system for a period of 12 consecutive calendar months, unless:

(1) the application is an original ~~rather than renewal application under section 168.127;~~ or

(2) the applicant is a licensed motor vehicle lessor under section 168.27 and the vehicle is leased or rented for periods of time of not more than 28 days, in which case the applicant may apply for initial or renewed registration of a vehicle for a period of four or more months, the month of expiration to be designated by the applicant at the time of registration. To qualify for this exemption, the applicant must present the application to ~~the registrar at St. Paul,~~ ~~or~~ a designated deputy registrar office. Subsequent registration periods when the applicant is not a qualified motor vehicle lessor under this subdivision must be for a period of 12 months commencing from the last month for which registration was issued.

~~(b) In any instance except that of a licensed motor vehicle lessor, the registrar shall not approve registering the vehicle subject to the application for a period of less than three months, except when the registrar determines that to do otherwise will help to equalize the registration and renewal work load of the department.~~

Sec. 14. Minnesota Statutes 2012, section 168.053, subdivision 1, is amended to read:

Subdivision 1. **Application; fee; penalty.** Any person, firm, or corporation engaged in the business of transporting motor vehicles owned by another, by delivering, by drive-away or towing methods, either singly or by means of the full mount method, the saddle mount method, the tow bar method, or any other combination thereof, and under their own power, vehicles over the highways of the state from the manufacturer or any other point of origin, to any point of destination, within or without the state, shall make application to the registrar for a drive-away in-transit license. This application for annual license shall be accompanied by a registration fee of \$250 and contain ~~such~~ information as the registrar may require. Upon the filing of the application and the payment of the fee, the registrar shall issue to each drive-away operator a drive-away in-transit license plate, which must be carried and displayed on the power unit consistent with section 169.79 and the plate shall remain on the vehicle while being operated within ~~the state~~ Minnesota. The license plate issued under this subdivision is not valid for the purpose of permanent vehicle registration and is not valid outside Minnesota. Additional drive-away in-transit license plates desired by any drive-away operator may be secured from the registrar of motor vehicles upon the payment of a fee of \$5 for each set of additional license plates. Any person, firm, or corporation engaging in the business as a drive-away operator, of transporting and delivering by means of full mount method, the saddle mount method, the tow bar method, or any combination thereof, and under their own power, motor vehicles, who fails or refuses to file or cause to be filed an application, as is required by law, and to pay the fees therefor as the law requires, shall be found guilty of violating the provisions of sections 168.053 to 168.057; and, upon conviction, fined not less than \$50, and not more than \$100, and all costs of court. Each day so operating without securing the license and plates as required ~~therein~~ shall constitute a separate offense ~~within the meaning thereof.~~

Sec. 15. Minnesota Statutes 2012, section 168.123, subdivision 2, is amended to read:

Subd. 2. **Design.** The commissioner of veterans affairs shall design the emblem for the veterans' special plates, subject to the approval of the commissioner, that satisfy the following requirements:

(a) For a Vietnam veteran who served after July 1, 1961, and before July 1, 1978, in the active military service in a branch of the armed forces of the United States or a nation or society allied with the United States the special plates must bear the inscription "VIETNAM VET," ~~and the letters "V" and "V" with the first letter directly above the second letter and both letters just preceding the first numeral of the special plate number.~~

(b) For a veteran stationed on the island of Oahu, Hawaii, or offshore, during the attack on Pearl Harbor on December 7, 1941, the special plates must bear the inscription "PEARL HARBOR SURVIVOR<sub>2</sub>" ~~and the letters "P" and "H" with the first letter directly above the second letter and both letters just preceding the first numeral of the special plate number.~~

(c) For a veteran who served during ~~World War I or~~ World War II, the plates must bear the inscription "WORLD WAR VET<sub>2</sub>" ~~and:~~

~~(1) for a World War I veteran, the characters "W" and "I" with the first character directly above the second character and both characters just preceding the first numeral of the special plate number; or~~

~~(2) for a World War II veteran, the characters "W" and "II" with the first character directly above the second character and both characters just preceding the first numeral of the special plate number.~~

(d) For a veteran who served during the Korean Conflict, the special plates must bear the inscription "KOREAN VET<sub>2</sub>" ~~and the letters "K" and "V" with the first letter directly above the second letter and both letters just preceding the first numeral of the special plate number.~~

(e) For a combat wounded veteran who is a recipient of the Purple Heart medal, the plates must bear the inscription "COMBAT WOUNDED VET" and have a facsimile or an emblem of the official Purple Heart medal ~~and the letters "C" over "W" with the first letter directly over the second letter just preceding the first numeral of the special plate number.~~

A member of the United States armed forces who is serving actively in the military and who is a recipient of the Purple Heart medal is also eligible for this license plate. The commissioner of public safety shall ensure that information regarding the required proof of eligibility for any applicant under this paragraph who has not yet been issued military discharge papers is distributed to the public officials responsible for administering this section.

(f) For a Persian Gulf War veteran, the plates must bear the inscription "GULF WAR VET<sub>2</sub>" ~~and the letters "G" and "W" with the first letter directly above the second letter and both letters just preceding the first numeral of the special plate number.~~ For the purposes of this section, "Persian Gulf War veteran" means a person who served on active duty after August 1, 1990, in a branch of the armed forces of the United States or a nation or society allied with the United States or the United Nations during Operation Desert Shield, Operation Desert Storm, or other military operation in the Persian Gulf area combat zone as designated in United States Presidential Executive Order No. 12744, dated January 21, 1991.

(g) For a veteran who served in the Laos War after July 1, 1961, and before July 1, 1978, the special plates must bear the inscription "LAOS WAR VET<sub>2</sub>" ~~and the letters "L" and "V" with the first letter directly above the second letter and both letters just preceding the first numeral of the special plate number.~~

(h) For a veteran who is the recipient of:

(1) the Iraq Campaign Medal, the special plates must be inscribed with a facsimile of that medal and must bear the inscription "IRAQ WAR VET" directly below the special plate number;

(2) the Afghanistan Campaign Medal, the special plates must be inscribed with a facsimile of that medal and must bear the inscription "AFGHAN WAR VET" directly below the special plate number;

(3) the Global War on Terrorism Expeditionary Medal, the special plates must be inscribed with a facsimile of that medal and must bear the inscription "GWOT VETERAN" directly below the special plate number; or



(4) the Armed Forces Expeditionary Medal, the special plates must bear an appropriate inscription that includes a facsimile of that medal.

(i) For a veteran who is the recipient of the Global War on Terrorism Service Medal, the special plates must be inscribed with a facsimile of that medal and must bear the inscription "GWOT VETERAN" directly below the special plate number. In addition, any member of the National Guard or other military reserves who has been ordered to federally funded state active service under United States Code, title 32, as defined in section 190.05, subdivision 5b, and who is the recipient of the Global War on Terrorism Service Medal, is eligible for the license plate described in this paragraph, irrespective of whether that person qualifies as a veteran under section 197.447.

(j) For a veteran who is the recipient of the Korean Defense Service Medal, the special plates must be inscribed with a facsimile of that medal and must bear the inscription "KOREAN DEFENSE SERVICE" directly below the special plate number.

(k) For a veteran who is a recipient of the Bronze Star medal, the plates must bear the inscription "BRONZE STAR VET" and have a facsimile or an emblem of the official Bronze Star medal.

(l) For a veteran who is a recipient of the Silver Star medal, the plates must bear the inscription "SILVER STAR VET" and have a facsimile or an emblem of the official Silver Star medal.

Sec. 16. Minnesota Statutes 2012, section 168.183, subdivision 1, is amended to read:

Subdivision 1. **Payment of taxes.** All trucks, truck-tractors, ~~trailers and semitrailers,~~ trucks using combination, and buses which comply with all of the provisions of section 168.181, subdivision 1, clause (6), but are excluded from the exemptions ~~provided therein~~ solely because of the intrastate temporary nature of their movement in this state, ~~owned by nonresidents owning or operating circuses, carnivals or similar amusement attractions or concessions~~ shall be required to comply with all laws and rules as to the payment of taxes applicable to like vehicles owned by Minnesota residents ~~but such, except that~~ nonresidents may make application to pay such the tax for each vehicle proportionate to the number of months or fraction thereof ~~such the~~ vehicles are in this state. For the purposes of this subdivision, buses do not include charter buses that are considered proratable vehicles under section 168.187, subdivision 4.

Sec. 17. Minnesota Statutes 2012, section 168.187, subdivision 17, is amended to read:

Subd. 17. **Trip permit.** Subject to agreements or arrangements made or entered into pursuant to subdivision 7, the commissioner may issue trip permits for use of Minnesota highways by individual vehicles, on an occasional basis, for periods not to exceed 120 hours in compliance with rules promulgated pursuant to subdivision 23 and upon payment of a fee of \$15. For the purposes of this subdivision, "on an occasional basis" means no more than one permit per vehicle within a 30-day period, which begins the day a permit is effective.

Sec. 18. Minnesota Statutes 2012, section 168.27, is amended by adding a subdivision to read:

Subd. 3d. **Used vehicle parts dealer.** A used vehicle parts dealer licensee may sell, solicit, or advertise the sale of used parts and the remaining scrap metals, but is prohibited from selling any new or used motor vehicles for use at retail or for resale to a dealer.

Sec. 19. Minnesota Statutes 2012, section 168.27, subdivision 10, is amended to read:

Subd. 10. **Place of business.** (a) All licensees under this section shall have an established place of business which shall include as a minimum:

(1) For a new motor vehicle dealer, the following:

(i) a commercial building owned or under lease by the licensee. The lease must be for a minimum term of one year. The building must contain office space where the books, records, and files necessary to conduct the business are kept and maintained with personnel available during normal business hours. Dealership business hours must be conspicuously posted on the place of doing business and readily viewable by the public;

(ii) a bona fide contract or franchise (A) in effect with a manufacturer or distributor of the new motor vehicles the dealer proposes to sell, broker, wholesale, or auction, or (B) in effect with the first-stage manufacturer or distributor of new motor vehicles purchased from a van converter or modifier which the dealer proposes to sell, broker, wholesale, or auction, or (C) in effect with the final-stage manufacturer of the new type A, B, or C motor homes which the dealer proposes to sell, broker, wholesale, or auction;

(iii) a facility for the repair and servicing of motor vehicles and the storage of parts and accessories, not to exceed ten miles distance from the principal place of business. The service may be provided through contract with bona fide operators actually engaged in the services;

(iv) an area either indoors or outdoors to display motor vehicles that is owned or under lease by the licensee; and

(v) a sign readily viewable by the public that clearly identifies the dealership by name.

(2) For a used motor vehicle dealer, the following:

(i) a commercial building owned or under lease by the licensee. The lease must be for a minimum term of one year. The building must contain office space where the books, records, and files necessary to conduct the business are kept and maintained with personnel available during normal business hours or automatic telephone answering service during normal business hours. Dealership business hours must be conspicuously posted on the place of doing business and readily viewable by the public;

(ii) an area either indoors or outdoors to display motor vehicles which is owned or under lease by the licensee; and

(iii) a sign readily viewable by the public that clearly identifies the dealership by name.

(3) For a motor vehicle lessor, the following: a commercial office space where the books, records, and files necessary to conduct the business are kept and maintained with personnel available during normal business hours or an automatic telephone answering service during normal business hours. Business hours must be conspicuously posted on the place of doing business and readily viewable by the public. The office space must be owned or under lease for a minimum term of one year by the licensee.

(4) For a motor vehicle wholesaler, the following: a commercial office space where the books, records, and files necessary to conduct the business are kept and maintained with personnel available during normal business hours or an automatic telephone answering service during normal business hours. The office space must be owned or under lease for a minimum term of one year by the licensee.

(5) For a motor vehicle auctioneer, the following: a permanent enclosed commercial building, within or without the state, on a permanent foundation, owned or under lease by the licensee. The lease must be for a minimum term of one year. The building must contain office space where the books, records, and files necessary to conduct the business are kept and maintained with personnel available during normal business hours or an automatic telephone answering service during normal business hours.

(6) For a motor vehicle broker, the following: a commercial office space where books, records, and files necessary to conduct business are kept and maintained with personnel available during normal business hours, or an automatic telephone answering service available during normal business hours. A sign, clearly identifying the motor

vehicle broker by name and listing the broker's business hours, must be posted in a location and manner readily viewable by a member of the public visiting the office space. The office space must be owned or under lease for a minimum term of one year by the licensee.

(7) For a limited used vehicle license holder, the following: a commercial office space where books, records, and files necessary to conduct nonprofit charitable activities are kept and maintained with personnel available during normal business hours, or an automatic telephonic answering service available during normal business hours. The office space must be owned or under lease for a minimum term of one year by the licensee.

(b) If a new or used motor vehicle dealer maintains more than one place of doing business in a county, the separate places must be listed on the application. If additional places of business are maintained outside of one county, separate licenses must be obtained for each county.

(c) If a motor vehicle lessor, wholesaler, auctioneer, or motor vehicle broker maintains more than one permanent place of doing business, either in one or more counties, the separate places must be listed in the application, but only one license is required. If a lessor proposes to sell previously leased or rented vehicles or if a broker proposes to establish an office at a location outside the seven-county metropolitan area, as defined in section 473.121, subdivision 2, other than cities of the first class, the lessor or broker must obtain a license for each nonmetropolitan area county in which the lessor's sales are to take place or where the broker proposes to locate an office.

(d) If a motor vehicle dealer, lessor, wholesaler, or motor vehicle broker does not have direct access to a public road or street, any privately owned roadway providing access to a public road or street must be clearly identified and adequately maintained.

(e) A new or used motor vehicle dealer may establish a temporary place of business outside the county where it maintains its licensed location to sell horse trailers exclusively without obtaining an additional license.

(f) A new or used motor vehicle dealer may establish a temporary place of business outside the county where it maintains its licensed location to sell recreational vehicles exclusively without obtaining an additional license if:

(1) the dealer establishes a temporary place of business for the sale of recreational vehicles not more than four times during any calendar year;

(2) each temporary place of business other than an official county fair or the Minnesota State Fair within the seven-county metropolitan area, as defined in section 473.121, subdivision 2, is established jointly with at least four other recreational vehicle dealers;

(3) each temporary place of business other than an official county fair outside the seven-county metropolitan area, as defined in section 473.121, subdivision 2, is established jointly with at least one other recreational vehicle dealer;

(4) each establishment of a temporary place of business for the sale of recreational vehicles is for no more than 12 consecutive days; and

(5) the dealer notifies the registrar of motor vehicles of each temporary place of business for the sale of recreational vehicles.

Sec. 20. Minnesota Statutes 2012, section 168.27, subdivision 11, is amended to read:

Subd. 11. **Dealers' licenses; location change notice; fee.** (a) Application for a dealer's license or notification of a change of location of the place of business on a dealer's license must include a street address, not a post office box, and is subject to the commissioner's approval.

(b) Upon the filing of an application for a dealer's license and the proper fee, unless the application on its face appears to be invalid, the commissioner shall grant a 90-day temporary license. During the 90-day period following issuance of the temporary license, the commissioner shall inspect the place of business site and insure compliance with this section and rules adopted under this section.

(c) The commissioner may extend the temporary license 30 days to allow the temporarily licensed dealer to come into full compliance with this section and rules adopted under this section.

(d) In no more than 120 days following issuance of the temporary license, the dealer license must either be granted or denied.

(e) A license must be denied under the following conditions:

(1) The license must be denied if within the previous ten years the applicant was enjoined due to a violation of section 325F.69 or convicted of violating section 325E.14, 325E.15, 325E.16, or 325F.69, or convicted under section 609.53 of receiving or selling stolen vehicles, or convicted of violating United States Code, title 15, sections 1981 to 1991 or pleaded guilty, entered a plea of nolo contendere or no contest, or has been found guilty in a court of competent jurisdiction of any charge of failure to pay state or federal income or sales taxes or felony charge of forgery, embezzlement, obtaining money under false pretenses, theft by swindle, extortion, conspiracy to defraud, or bribery.

~~(2) The license must also be denied if within the previous year the applicant has been denied a dealer license.~~

~~(3)~~ (2) A license must also be denied if the applicant has had a dealer license revoked within the previous ten years.

(f) If the application is approved, the commissioner shall license the applicant as a dealer for one year from the date the temporary license is granted and issue a certificate of license that must include a distinguishing number of identification of the dealer. The license must be displayed in a prominent place in the dealer's licensed place of business.

(g) Each initial application for a license must be accompanied by a fee of \$100 in addition to the annual fee. The annual fee is \$150. The initial fees and annual fees must be paid into the state treasury and credited to the general fund except that \$50 of each initial and annual fee must be paid into the vehicle services operating account in the special revenue fund under section 299A.705.

Sec. 21. Minnesota Statutes 2012, section 169.011, subdivision 71, is amended to read:

Subd. 71. **School bus.** (a) "School bus" means a motor vehicle used to transport pupils to or from a school defined in section 120A.22, or to or from school-related activities, by the school or a school district, or by someone under an agreement with the school or a school district. A school bus does not include a motor vehicle transporting children to or from school for which parents or guardians receive direct compensation from a school district, a motor coach operating under charter carrier authority, a transit bus providing services as defined in section 174.22, subdivision 7, or a vehicle otherwise qualifying as a type III vehicle under paragraph (h), when the vehicle is properly registered and insured and being driven by an employee or agent of a school district for nonscheduled or nonregular transportation.

(b) A school bus may be type A, type B, type C, or type D, multifunction school activity bus, or type III as provided in paragraphs (c) to (h).

(c) A "type A school bus" is a van conversion or bus constructed utilizing a cutaway front section vehicle with a left-side driver's door. This definition includes two classifications: type A-I, with a gross vehicle weight rating (GVWR) less than or equal to 14,500 pounds; and type A-II, with a GVWR greater than 14,500 pounds and less than or equal to 21,500 pounds.

(d) A "type B school bus" is constructed utilizing a stripped chassis. The entrance door is behind the front wheels. This definition includes two classifications: type B-I, with a GVWR less than or equal to 10,000 pounds; and type B-II, with a GVWR greater than 10,000 pounds.

(e) A "type C school bus" is constructed utilizing a chassis with a hood and front fender assembly. The entrance door is behind the front wheels. A "type C school bus" also includes a cutaway truck chassis or truck chassis with cab, with or without a left side door, and with a GVWR greater than 21,500 pounds.

(f) A "type D school bus" is constructed utilizing a stripped chassis. The entrance door is ahead of the front wheels.

(g) A "multifunction school activity bus" is a school bus that meets the definition of a multifunction school activity bus in Code of Federal Regulations, title 49, section 571.3. A vehicle that meets the definition of a type III vehicle is not a multifunction school activity bus.

(h) A "type III vehicle" is restricted to passenger ~~cars, station wagons, vans,~~ vehicles and buses having a maximum manufacturer's rated seating capacity of ten or fewer people, including the driver, and a gross vehicle weight rating of 10,000 pounds or less. A "type III vehicle" must not be outwardly equipped and identified as a type A, B, C, or D school bus or type A, B, C, or D Head Start bus. A van or bus converted to a seating capacity of ten or fewer and placed in service on or after August 1, 1999, must have been originally manufactured to comply with the passenger safety standards.

(i) In this subdivision, "gross vehicle weight rating" means the value specified by the manufacturer as the loaded weight of a single vehicle.

Sec. 22. Minnesota Statutes 2012, section 169.04, is amended to read:

**169.04 LOCAL AUTHORITY.**

(a) The provisions of this chapter shall not be deemed to prevent local authorities, with respect to streets and highways under their jurisdiction, and with the consent of the commissioner, with respect to state trunk highways, within the corporate limits of a municipality, or within the limits of a town in a county in this state now having or which may hereafter have, a population of 500,000 or more, and a land area of not more than 600 square miles, and within the reasonable exercise of the police power from:

(1) regulating the standing or parking of vehicles;

(2) regulating traffic by means of police officers or traffic-control signals;

(3) regulating or prohibiting processions or assemblages on the highways;

(4) designating particular highways as one-way roadways and requiring that all vehicles, except emergency vehicles, when on an emergency run, thereon be moved in one specific direction;

(5) designating any highway as a through highway and requiring that all vehicles stop before entering or crossing the same, or designating any intersection as a stop intersection, and requiring all vehicles to stop at one or more entrances to such intersections;

(6) restricting the use of highways as authorized in sections 169.80 to 169.88.

(b) No ordinance or regulation enacted under paragraph (a), clause (4), (5), or (6), shall be effective until signs giving notice of such local traffic regulations are posted upon and kept posted upon or at the entrance to the highway or part thereof affected as may be most appropriate.

~~(c) No ordinance or regulation enacted under paragraph (a), clause (3), or any other provision of law shall prohibit:~~

~~(1) the use of motorcycles or vehicles utilizing flashing red lights for the purpose of escorting funeral processions, oversized buildings, heavy equipment, parades or similar processions or assemblages on the highways; or~~

~~(2) the use of motorcycles or vehicles that are owned by the funeral home and that utilize flashing red lights for the purpose of escorting funeral processions.~~

Sec. 23. Minnesota Statutes 2012, section 169.18, subdivision 4, is amended to read:

Subd. 4. **Passing on the right.** The driver of a vehicle may overtake and pass upon the right of another vehicle only upon the following conditions:

(1) when the vehicle overtaken is making or about to make a left turn;

(2) upon a street or highway with unobstructed pavement not occupied by parked vehicles of sufficient width for two or more lines of moving vehicles in each direction;

(3) upon a one-way street, or upon any roadway on which traffic is restricted to one direction of movement, where the roadway is free from obstructions and of sufficient width for two or more lines of moving vehicles;

(4) when the driver of a vehicle may overtake and pass another vehicle upon the right only under conditions permitting such movement in safety. In no event shall such movement be made by driving in a bicycle lane or onto the shoulder, whether paved or unpaved, or off the pavement or main-traveled portion of the roadway.

Sec. 24. Minnesota Statutes 2012, section 169.18, subdivision 7, is amended to read:

Subd. 7. **Laned highway.** When any roadway has been divided into two or more clearly marked lanes for traffic, the following rules, in addition to all others consistent herewith, shall apply:

(a) A vehicle shall be driven as nearly as practicable entirely within a single lane and shall not be moved from such lane until the driver has first ascertained that such movement can be made with safety.

(b) Upon a roadway which is not a one-way roadway and which is divided into three lanes, a vehicle shall not be driven in the center lane except when overtaking and passing another vehicle where the roadway is clearly visible and such center lane is clear of traffic within a safe distance, or in preparation for a left turn or where such center lane is at the time allocated exclusively to traffic moving in the direction the vehicle is proceeding, and is signposted to give notice of such allocation. The left lane of a three-lane roadway which is not a one-way roadway shall not be used for overtaking and passing another vehicle.

(c) Official signs may be erected directing slow-moving traffic to use a designated lane or allocating specified lanes to traffic moving in the same direction, and drivers of vehicles shall obey the directions of every such sign.

(d) Whenever a bicycle lane has been established on a roadway, any person operating a motor vehicle on such roadway shall not drive in the bicycle lane except to perform parking maneuvers in order to park where parking is permitted, to enter or leave the highway, or to prepare for a turn as provided in section 169.19, subdivision 1.

Sec. 25. Minnesota Statutes 2012, section 169.19, subdivision 1, is amended to read:

Subdivision 1. **Turning at intersection.** The driver of a vehicle intending to turn at an intersection shall do so as follows:

(a) Both the approach for a right turn and a right turn shall be made as close as practicable to the right-hand curb or edge of the roadway.

(b) Approach for a left turn on other than one-way roadways shall be made in that portion of the right half of the roadway nearest the centerline thereof, and after entering the intersection the left turn shall be made so as to leave the intersection to the right of the centerline of the roadway being entered. Whenever practicable the left turn shall be made in that portion of the intersection to the left of the center of the intersection.

(c) Approach for a left turn from a two-way roadway into a one-way roadway shall be made in that portion of the right half of the roadway nearest the centerline thereof and by passing to the right of such centerline where it enters the intersection.

(d) A left turn from a one-way roadway into a two-way roadway shall be made from the left-hand lane and by passing to the right of the centerline of the roadway being entered upon leaving the intersection.

(e) Where both streets or roadways are one way, both the approach for a left turn and a left turn shall be made as close as practicable to the left-hand curb or edge of the roadway.

(f) Local authorities in their respective jurisdictions may cause markers, buttons, or signs to be placed within or adjacent to intersections and thereby require and direct that a different course from that specified in this section be traveled by vehicles turning at an intersection, and when markers, buttons, or signs are so placed no driver of a vehicle shall turn a vehicle at an intersection other than as directed and required by such markers, buttons, or signs.

(g) Whenever it is necessary for the driver of a motor vehicle to cross a bicycle lane adjacent to the driver's lane of travel to make a turn, the driver shall ~~drive the motor vehicle into the bicycle lane prior to making the turn, and shall make the turn, yielding the right of way to any vehicles approaching so close thereto as to constitute an immediate hazard.~~ first signal the movement and then yield the right-of-way to any approaching bicycles before crossing the bicycle lane. The driver shall cross the bicycle lane in the manner indicated by any associated pavement markings and signs.

Sec. 26. Minnesota Statutes 2012, section 169.222, subdivision 2, is amended to read:

Subd. 2. **Manner and number riding.** No bicycle, including a tandem bicycle, cargo or utility bicycle, or trailer, shall be used to carry more persons at one time than the number for which it is designed and equipped, except ~~(1) on a baby seat attached to the bicycle, provided that the baby seat is equipped with a harness to hold the child securely in the seat and that protection is provided against the child's feet hitting the spokes of the wheel or (2) in a seat attached to the bicycle operator~~ an adult rider may carry a child in a seat designed for carrying children that is securely attached to the bicycle.

Sec. 27. Minnesota Statutes 2012, section 169.222, subdivision 4, is amended to read:

Subd. 4. **Riding rules.** (a) Every person operating a bicycle upon a roadway shall ride as close as practicable to the right-hand curb or edge of the roadway except under any of the following situations:

(1) when overtaking and passing another vehicle proceeding in the same direction;

(2) when preparing for a left turn at an intersection or into a private road or driveway;

(3) when reasonably necessary to avoid conditions, including fixed or moving objects, vehicles, pedestrians, animals, surface hazards, or narrow width lanes, that make it unsafe to continue along the right-hand curb or edge; or

(4) when operating on the shoulder of a roadway or in a bicycle lane.

(b) If a bicycle is traveling on a shoulder of a roadway, the bicycle shall travel in the same direction as adjacent vehicular traffic.

(c) Persons riding bicycles upon a roadway or shoulder shall not ride more than two abreast and shall not impede the normal and reasonable movement of traffic and, on a laned roadway, shall ride within a single lane.

(d) A person operating a bicycle upon a sidewalk, or across a roadway or shoulder on a crosswalk, shall yield the right-of-way to any pedestrian and shall give an audible signal when necessary before overtaking and passing any pedestrian. No person shall ride a bicycle upon a sidewalk within a business district unless permitted by local authorities. Local authorities may prohibit the operation of bicycles on any sidewalk or crosswalk under their jurisdiction.

(e) An individual operating a bicycle or other vehicle on a bikeway shall leave a safe distance when overtaking a bicycle or individual proceeding in the same direction on the bikeway, and shall maintain clearance until safely past the overtaken bicycle or individual.

(f) A person lawfully operating a bicycle on a sidewalk, or across a roadway or shoulder on a crosswalk, shall have all the rights and duties applicable to a pedestrian under the same circumstances.

(g) A person may operate an electric-assisted bicycle on the shoulder of a roadway, on a bikeway, or on a bicycle trail if not otherwise prohibited under section 85.015, subdivision 1d; 85.018, subdivision 2, paragraph (d); or 160.263, subdivision 2, paragraph (b), as applicable.

Sec. 28. Minnesota Statutes 2012, section 169.222, subdivision 6, is amended to read:

Subd. 6. **Bicycle equipment.** (a) No person shall operate a bicycle at nighttime unless the bicycle or its operator is equipped with (1) a lamp which emits a white light visible from a distance of at least 500 feet to the front; and (2) a red reflector of a type approved by the Department of Public Safety which is visible from all distances from 100 feet to 600 feet to the rear when directly in front of lawful lower beams of headlamps on a motor vehicle. A bicycle equipped with lamps that are visible from a distance of at least 500 feet from both the front and the rear is deemed to fully comply with this paragraph.

(b) No person may operate a bicycle at any time when there is not sufficient light to render persons and vehicles on the highway clearly discernible at a distance of 500 feet ahead unless the bicycle or its operator is equipped with reflective surfaces that shall be visible during the hours of darkness from 600 feet when viewed in front of lawful lower beams of headlamps on a motor vehicle. The reflective surfaces shall include reflective materials on each side of each pedal to indicate their presence from the front or the rear and with a minimum of 20 square inches of reflective material on each side of the bicycle or its operator. Any bicycle equipped with side reflectors as required by regulations for new bicycles prescribed by the United States Consumer Product Safety Commission shall be considered to meet the requirements for side reflectorization contained in this subdivision.

(c) A bicycle may be equipped with a front lamp that emits a white flashing signal, or a rear lamp that emits a red flashing signal, or both.



(d) A bicycle may be equipped with tires having studs, spikes, or other protuberances designed to increase traction.

(e) No person shall operate a bicycle unless it is equipped with a rear brake or front and rear brakes which will enable the operator to make ~~the a braked wheels~~ wheel skid on dry, level, clean pavement. A bicycle equipped with a direct or fixed gear that can make the rear wheel skid on dry, level, clean pavement shall be deemed to fully comply with this paragraph.

(f) A bicycle may be equipped with a horn or bell designed to alert motor vehicles, other bicycles, and pedestrians of the bicycle's presence.

~~(g)~~ (g) No person shall operate upon a highway any two-wheeled bicycle equipped with handlebars so raised that the operator must elevate the hands above the level of the shoulders in order to grasp the normal steering grip area.

~~(g)~~ (h) No person shall operate upon a highway any bicycle which is of such a size as to prevent the operator from stopping the bicycle, supporting it with at least one foot on the highway surface and restarting in a safe manner.

Sec. 29. Minnesota Statutes 2012, section 169.34, subdivision 1, is amended to read:

Subdivision 1. **Prohibitions.** (a) No person shall stop, stand, or park a vehicle, except when necessary to avoid conflict with other traffic or in compliance with the directions of a police officer or traffic-control device, in any of the following places:

- (1) on a sidewalk;
- (2) in front of a public or private driveway;
- (3) within an intersection;
- (4) within ten feet of a fire hydrant;
- (5) on a crosswalk;
- (6) within 20 feet of a crosswalk at an intersection;
- (7) within 30 feet upon the approach to any flashing beacon, stop sign, or traffic-control signal located at the side of a roadway;
- (8) between a safety zone and the adjacent curb or within 30 feet of points on the curb immediately opposite the ends of a safety zone, unless a different length is indicated by signs or markings;
- (9) within 50 feet of the nearest rail of a railroad crossing;
- (10) within 20 feet of the driveway entrance to any fire station and on the side of a street opposite the entrance to any fire station within 75 feet of said entrance when properly signposted;
- (11) alongside or opposite any street excavation or obstruction when such stopping, standing, or parking would obstruct traffic;
- (12) on the roadway side of any vehicle stopped or parked at the edge or curb of a street;

(13) upon any bridge or other elevated structure upon a highway or within a highway tunnel, except as otherwise provided by ordinance;

(14) within a bicycle lane, except when posted signs permit parking; or

~~(14)~~ (15) at any place where official signs prohibit stopping.

(b) No person shall move a vehicle not owned by such person into any prohibited area or away from a curb such distance as is unlawful.

(c) No person shall, for camping purposes, leave or park a travel trailer on or within the limits of any highway or on any highway right-of-way, except where signs are erected designating the place as a campsite.

(d) No person shall stop or park a vehicle on a street or highway when directed or ordered to proceed by any peace officer invested by law with authority to direct, control, or regulate traffic.

Sec. 30. Minnesota Statutes 2012, section 169.346, is amended by adding a subdivision to read:

**Subd. 1a. Disability parking when designated spaces occupied or unavailable.** In the event the designated disability parking spaces are either occupied or unavailable, a vehicle bearing a valid disability parking certificate issued under section 169.345 or license plates for physically disabled persons under section 168.021 may park at an angle and occupy two standard parking spaces.

Sec. 31. Minnesota Statutes 2012, section 169.346, subdivision 2, is amended to read:

**Subd. 2. Disability parking space signs.** (a) Parking spaces reserved for physically disabled persons must be designated and identified by the posting of signs incorporating the international symbol of access in white on blue and indicating that violators are subject to a fine of up to \$200. These parking spaces are reserved for disabled persons with motor vehicles displaying the required certificate, plates, permit valid for 30 days, or insignia.

(b) For purposes of this subdivision, a parking space that is clearly identified as reserved for physically disabled persons by a permanently posted sign that does not meet all design standards, is considered designated and reserved for physically disabled persons. A sign posted for the purpose of this section must be visible from inside a motor vehicle parked in the space, be kept clear of snow or other obstructions which block its visibility, and be nonmovable ~~or only movable by authorized persons.~~

Sec. 32. Minnesota Statutes 2012, section 169.443, subdivision 9, is amended to read:

**Subd. 9. Personal cellular phone call prohibition.** (a) As used in this subdivision, "school bus" has the meaning given in section 169.011, subdivision 71. In addition, the term includes type III vehicles as defined in section 169.011, subdivision 71, when driven by employees or agents of school districts.

(b) A school bus driver may not operate a school bus while communicating over, or otherwise operating, a cellular phone for personal reasons, whether handheld or hands free, when the vehicle is in motion or a part of traffic.

Sec. 33. Minnesota Statutes 2012, section 169.447, subdivision 2, is amended to read:

**Subd. 2. Driver seat belt.** School buses and Head Start buses must be equipped with driver seat belts and seat belt assemblies of the type described in section 169.685, subdivision 3. ~~School bus drivers and Head Start bus drivers must use these seat belts.~~ A properly adjusted and fastened seat belt, including both the shoulder and lap belt when the vehicle is so equipped, shall be worn by the driver.

Sec. 34. Minnesota Statutes 2012, section 169.454, subdivision 12, is amended to read:

Subd. 12. **Option.** ~~Passenger cars and station wagons~~ Type III vehicles may carry fire extinguisher, first aid kit, and warning triangles in the trunk or trunk area of the vehicle, if a label in the driver and front passenger area clearly indicates the location of these items.

Sec. 35. Minnesota Statutes 2012, section 169.68, is amended to read:

**169.68 HORN, SIREN.**

(a) Every motor vehicle when operated upon a highway must be equipped with a horn in good working order and capable of emitting sound audible under normal conditions from a distance of not less than 200 feet. However, the horn or other warning device must not emit an unreasonably loud or harsh sound or a whistle. The driver of a motor vehicle shall, when reasonably necessary to insure safe operation, give audible warning with the horn, but shall not otherwise use the horn when upon a highway.

(b) A vehicle must not be equipped with, and a person shall not use upon a vehicle, any siren, whistle, or bell, except as otherwise permitted in this section.

(c) It is permissible, but not required, for any commercial vehicle to be equipped with a theft alarm signal device, so arranged that it cannot be used by the driver as an ordinary warning signal.

(d) All authorized emergency vehicles must be equipped with a siren capable of emitting sound audible under normal conditions from a distance of not less than 500 feet and of a type conforming to the federal certification standards for sirens, as determined by the General Services Administration. However, the siren must not be used except when the vehicle is operated in response to an emergency call or in the immediate pursuit of an actual or suspected violator of the law, in which latter events the driver of the vehicle shall sound the siren when necessary to warn pedestrians and other drivers of the vehicle's approach.

(e) It is permissible, but not required, for a bicycle to be equipped with a horn or bell designed to alert motor vehicles, other bicycles, and pedestrians of the bicycle's presence.

Sec. 36. Minnesota Statutes 2012, section 169.824, subdivision 2, is amended to read:

Subd. 2. **Gross vehicle weight of all axles; credit for idle reduction technology.** (a) The gross vehicle weight of all axles of a vehicle or combination of vehicles must not exceed:

(1) 80,000 pounds for any vehicle or combination of vehicles on all streets and highways, unless posted at a lower axle weight under section 169.87, subdivision 1; and

(2) 88,000 pounds for any vehicle or combination of vehicles with six or more axles while exclusively engaged in hauling livestock on all state trunk highways other than interstate highways, if the vehicle has a permit under section 169.86, subdivision 5, paragraph (j).

(b) Notwithstanding the maximum weight provisions of this section, and in order to promote the reduction of fuel use and emissions, the maximum gross vehicle weight limits and the axle weight limits for any motor vehicle subject to sections 169.80 to 169.88 and equipped with idle reduction technology or emissions-reduction technology must be increased by the amount of weight necessary to compensate for the weight of the idle reduction technology or emissions-reduction technology, not to exceed ~~400~~ 550 pounds. At the request of an authorized representative of the Department of Transportation or the Department of Public Safety, the vehicle operator shall provide proof that the vehicle is equipped with this technology through documentation or demonstration.

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

Sec. 37. Minnesota Statutes 2012, section 171.01, subdivision 49b, is amended to read:

Subd. 49b. **Valid medical examiner's certificate.** (a) "Valid medical examiner's certificate" means a record, on a form prescribed by the department:

(1) of a medical examiner's examination of a person who holds or is applying for a class A, class B, or class C commercial driver's license;

(2) upon which the medical examiner attests that the applicant or license holder is physically qualified to drive a commercial motor vehicle; and

(3) that is not expired.

(b) A valid medical examiner's certificate must be issued by a medical examiner who is certified by the Federal Motor Carrier Administration and listed on the National Registry of Certified Medical Examiners.

**EFFECTIVE DATE.** The section is effective May 1, 2014.

Sec. 38. Minnesota Statutes 2012, section 171.07, subdivision 3a, is amended to read:

Subd. 3a. **Identification cards for seniors.** A Minnesota identification card issued to an applicant 65 years of age or over shall be of a distinguishing color and plainly marked "senior." The fee for the card issued to an applicant 65 years of age or over shall be one-half the required fee for a class D driver's license rounded down to the nearest quarter dollar. A Minnesota identification card or a Minnesota driver's license issued to a person 65 years of age or over shall be valid identification for the purpose of qualifying for reduced rates, free licenses or services provided by any board, commission, agency or institution that is wholly or partially funded by state appropriations. This subdivision does not apply to an enhanced identification card issued to an applicant age 65 or older.

Sec. 39. Minnesota Statutes 2012, section 171.07, subdivision 4, is amended to read:

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

(b) A Minnesota identification card issued to applicants an applicant age 65 or over older shall be valid for the lifetime of the applicant, except that for the purposes of this paragraph, "Minnesota identification card" does not include an enhanced identification card issued to an applicant age 65 or older.

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

Sec. 40. Minnesota Statutes 2012, section 174.02, is amended by adding a subdivision to read:

Subd. 2a. **Transportation ombudsperson.** (a) The commissioner shall appoint a person to the position of transportation ombudsperson. The transportation ombudsperson reports directly to the commissioner. The ombudsperson must be selected without regard to political affiliation and must be qualified to perform the duties specified in this subdivision.

(b) Powers and duties of the transportation ombudsperson include, but are not limited to:

(1) providing a neutral, independent resource for dispute and issue resolution between the department and the general public where another mechanism or forum is not available;

(2) gathering information about decisions, acts, and other matters of the department;

(3) providing information to the general public;

(4) facilitating discussions or arranging mediation when appropriate; and

(5) maintaining and monitoring performance measures for the ombudsperson program.

(c) The transportation ombudsperson may not hold another formal position within the department. The transportation ombudsperson may not impose a complaint fee.

Sec. 41. Minnesota Statutes 2012, section 174.24, subdivision 5a, is amended to read:

Subd. 5a. **Method of payment, ~~nonoperating~~ assistance.** (a) Payments for planning and engineering design, eligible capital assistance, operating assistance, and other eligible assistance for public transit services furthering the purposes of section 174.21, ~~excluding operating assistance~~, shall be made as provided in paragraph (b) and in an appropriate manner as determined by the commissioner.

(b) The commissioner shall make payments for operating assistance quarterly. The first quarterly payment for operating assistance must be made no later than the last business day of the first month of the contract.

Sec. 42. **[174.45] PUBLIC-PRIVATE PARTNERSHIPS; JOINT PROGRAM OFFICE.**

The commissioner may establish a joint program office to oversee and coordinate activities to develop, evaluate, and implement public-private partnerships involving public infrastructure investments. At the request of the commissioner of transportation, the commissioner of Minnesota Management and Budget, the commissioner of employment and economic development, the executive director of the Public Facilities Authority, and other state agencies shall cooperate with and provide assistance to the commissioner of transportation for activities related to public-private partnerships involving public infrastructure investments.

Sec. 43. Minnesota Statutes 2012, section 174.632, is amended to read:

**174.632 PASSENGER RAIL; COMMISSIONER'S DUTIES.**

Subdivision 1. **Definition.** "Passenger rail" means intercity rail passenger transportation as defined in United States Code, title 49, section 24102 (4).

Subd. 2. **Responsibilities.** (a) The planning, design, development, construction, operation, and maintenance of passenger rail track, facilities, and services are governmental functions, serve a public purpose, and are a matter of public necessity.

(b) The commissioner is responsible for all aspects of planning, designing, developing, constructing, equipping, operating, and maintaining passenger rail, including system planning, alternatives analysis, environmental studies, preliminary engineering, final design, construction, negotiating with railroads, and developing financial and operating plans.

(c) The commissioner may enter into a memorandum of understanding or agreement with a public or private entity, including Amtrak, a regional railroad authority, a joint powers board, and a railroad, to carry out these activities.

Sec. 44. Minnesota Statutes 2012, section 174.636, is amended to read:

**174.636 PASSENGER RAIL; EXERCISE OF POWER.**

Subdivision 1. Powers. ~~(a)~~ The commissioner has all powers necessary to carry out the duties specified in section 174.632. In the exercise of those powers, the commissioner may:

(1) acquire by purchase, gift, or by eminent domain proceedings as provided by law, all land and property necessary to preserve future passenger rail corridors or to construct, maintain, and improve passenger rail corridors;

(2) let all necessary contracts as provided by law; and

(3) make agreements with and cooperate with any ~~governmental authority~~ public or private entity, including Amtrak, to carry out statutory duties related to passenger rail.

Subd. 2. Consultation. ~~(b)~~ The commissioner shall consult with metropolitan planning organizations and regional rail authorities in areas where passenger rail corridors are under consideration to ensure that passenger rail services are integrated with existing rail and transit services and other transportation facilities to provide as nearly as possible connected, efficient, and integrated services.

Subd. 3. Authority to contract; liability. ~~(a)~~ The commissioner, or a public entity contracting with the commissioner, may contract with a railroad as defined in Code of Federal Regulations, title 49, section 200.3(i), for the joint or shared use of the railroad's right-of-way or the construction, operation, or maintenance of rail track, facilities, or services for passenger rail purposes. Notwithstanding section 3.732, subdivision 1, clause (2), or 466.01, subdivision 6, sections 466.04 and 466.06 govern the liability of a railroad and its employees arising from the joint or shared use of the railroad right-of-way or the provision of passenger rail construction, operation, or maintenance services pursuant to the contract. Notwithstanding any law to the contrary, a contract with a railroad for any passenger rail service, or joint or shared use of the railroad's right-of-way, may also provide for the allocation of financial responsibility, indemnification, and the procurement of insurance for the parties for all types of claims or damages.

(b) A contract entered into under this section shall be subject to rights of employees under the Federal Employers Liability Act, United States Code, title 45, section 51 et seq.; federal railroad safety laws under United States Code, title 49, section 20101 et seq.; the Railway Labor Act, United States Code, title 45, section 151 et seq.; the Railroad Retirement Act, United States Code, title 45, section 231 et seq.; the Railroad Unemployment Insurance Act, United States Code, title 45, section 351 et seq.; the Railroad Retirement Tax Act, United States Code, title 26, section 3201 et seq.; the Interstate Commerce Act, United States Code, title 49, section 10101 et seq.; and the Occupational Safety and Health Act, United States Code, title 29, section 651 et seq.

Subd. 4. Public hearings. The commissioner shall hold public hearings as required by federal requirements.

Sec. 45. Minnesota Statutes 2012, section 219.17, is amended to read:

**219.17 UNIFORM WARNING SIGNS.**

The commissioner by rule shall require that uniform warning signs be placed at grade crossings. There ~~must be at least three~~ are four distinct types of uniform warning signs: a ~~home crossing~~ crossbuck sign, for use in the immediate vicinity of the crossing; an ~~approach crossing~~ advance warning sign, to indicate the approach to a grade crossing; a

yield sign with the word "yield" plainly appearing on it; and, when deemed necessary and instead of a yield sign, a stop sign with the word "stop" plainly appearing on it, to indicate that persons on the highway approaching the crossing, whether in vehicles or otherwise, must come to a stop before proceeding over the grade crossing.

Sec. 46. Minnesota Statutes 2012, section 219.18, is amended to read:

**219.18 RAILROAD TO ERECT SIGN.**

At each grade crossing established after April 23, 1925 and where and when crossing signs existing as of April 24, 1925 are replaced, the railway company operating the railroad at that crossing shall erect and maintain one or more uniform ~~home crossing crossbuck~~ signs. The signs must be on each side of the railroad tracks and within ~~75~~ 50 feet from the nearest rail, or at a distance greater than 50 feet as determined by the commissioner.

Sec. 47. Minnesota Statutes 2012, section 219.20, is amended to read:

**219.20 STOP SIGN; YIELD SIGN.**

Subdivision 1. **When installation required; procedure.** At each grade crossing not equipped with flashing lights or flashing lights and gates where, because of the dangers attendant upon its use, the reasonable protection of life and property makes it necessary for persons approaching the crossing to stop or yield before crossing the railroad tracks, stop signs or yield signs must be installed. When the government entity responsible for a road that crosses a railroad track deems it necessary to install stop signs or yield signs at that crossing, it shall petition the commissioner to order the installation of the stop signs or yield signs. The commissioner shall respond to the petition by investigating the conditions at the crossing to determine whether stop signs or yield signs should be installed at the crossing. On determining, after an investigation following a petition from a governmental agency or subdivision or on the commissioner's own motion, that stop signs or yield signs should be installed at a crossing, the commissioner shall designate the crossing as a stop crossing or yield crossing and shall notify the railway company operating the railroad at the crossing of this designation. Within 30 days after notification, the railway company shall erect the uniform stop crossing signs or yield crossing signs in accordance with the commissioner's order.

Subd. 2. **Stopping distances.** When a stop sign or a yield sign has been erected at a railroad crossing, the driver of a vehicle approaching a railroad crossing shall stop or yield within 50 feet, but not less than ten feet, from the nearest track of the crossing and shall proceed only upon exercising due care.

Sec. 48. Minnesota Statutes 2012, section 221.0314, subdivision 2, is amended to read:

Subd. 2. **Qualification of driver.** Code of Federal Regulations, title 49, part 391 and appendixes D and E, are incorporated by reference except for sections 391.2; 391.11, paragraph (b)(1); 391.47; 391.49; 391.62; 391.64; 391.67; 391.68; and 391.69. In addition, cross-references to sections or paragraphs not incorporated in this subdivision are not incorporated by reference. For medical examinations conducted on and after May 21, 2014, the term "medical examiner" as used in this section and in the rules adopted under this section means an individual certified by the Federal Motor Carrier Safety Administration and listed on the National Registry of Certified Medical Examiners.

Sec. 49. Minnesota Statutes 2012, section 221.0314, subdivision 3a, is amended to read:

Subd. 3a. **Waiver for other medical condition.** (a) The commissioner may grant a waiver to a person who is not physically qualified to drive under Code of Federal Regulations, title 49, section 391.41, ~~paragraph (b)(3) to (b)(13)~~ paragraph (b)(3), (b)(10), or (b)(11). A waiver granted under this subdivision applies to intrastate transportation only.

(b) A person who wishes to obtain a waiver under this subdivision must give the commissioner the following information:

- (1) the applicant's name, address, and telephone number;
- (2) the name, address, and telephone number of an employer coapplicant, if any;
- (3) a description of the applicant's experience in driving the type of vehicle to be operated under the waiver;
- (4) a description of the type of driving to be done under the waiver;

(5) a description of any modifications to the vehicle the applicant intends to drive under the waiver that are designed to accommodate the applicant's medical condition or disability;

(6) whether the applicant has been granted another waiver under this subdivision;

(7) a copy of the applicant's current driver's license;

(8) a copy of a medical examiner's report and medical examiner's certificate showing that the applicant is medically unqualified to drive unless a waiver is granted;

(9) a statement from the applicant's treating physician that includes:

(i) the extent to which the physician is familiar with the applicant's medical history;

(ii) a description of the applicant's medical condition for which a waiver is necessary;

(iii) assurance that the applicant has the ability and willingness to follow any course of treatment prescribed by the physician, including the ability to self-monitor or manage the medical condition; and

(iv) the physician's professional opinion that the applicant's condition will not adversely affect the applicant's ability to operate a commercial motor vehicle safely; and

(10) any other information considered necessary by the commissioner including requiring a physical examination or medical report from a physician who specializes in a particular field of medical practice.

(c) In granting a waiver under this subdivision, the commissioner may impose conditions the commissioner considers necessary to ensure that an applicant is able to operate a motor vehicle safely and that the safety of the general public is protected.

(d) A person who is granted a waiver under this subdivision must:

(1) at intervals specified in the waiver, give the commissioner periodic reports from the person's treating physician, or a medical specialist if the commissioner so requires in the waiver, that contain the information described in paragraph (b), clause (9), together with a description of any episode that involved the person's loss of consciousness or loss of ability to operate a motor vehicle safely; and

(2) immediately report the person's involvement in an accident for which a report is required under section 169.09, subdivision 7.

~~(e) The commissioner shall deny an application if, during the three years preceding the application:~~



~~(1) the applicant's driver's license has been suspended under section 171.18, paragraph (a), clauses (1) to (9), (11), and (12), canceled under section 171.14, or revoked under section 171.17, 171.172, or 171.174;~~

~~(2) the applicant has been convicted of a violation under section 171.24; or~~

~~(3) the applicant has been convicted of a disqualifying offense, as defined in Code of Federal Regulations, title 49, section 383.51, paragraph (b), which is incorporated by reference.~~

~~(f)~~ (e) The commissioner may deny an application or may immediately revoke a waiver granted under this subdivision. Notice of the commissioner's reasons for denying an application or for revoking a waiver must be in writing and must be mailed to the applicant's or waiver holder's last known address by certified mail, return receipt requested. A person whose application is denied or whose waiver is revoked is entitled to a hearing under chapter 14.

~~(g)~~ (f) A waiver granted under this subdivision expires on the date of expiration shown on the medical examiner's certificate described in paragraph (b), clause (8).

Sec. 50. **CONVEYANCE OF STATE LAND; KOOCHICHING COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 16B.281 to 16B.287, 92.45, 161.43, 161.44 and 222.63, or any other law to the contrary, the commissioner of transportation may convey and quitclaim to a private party all right, title, and interest of the state of Minnesota, in the land described in paragraph (d).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy. The conveyance may take place only upon conditions as determined by the commissioner of transportation.

(c) No direct access shall be permitted between marked Trunk Highway 71 and the lands to be conveyed.

(d) The land to be conveyed is located in Koochiching County and is described as follows:

That part of Tract A described below:

Tract A. All that portion of the Burlington Northern Railroad Company's (formerly Northern Pacific Railway Company) former 400.0 foot wide Station Ground Property at Grand Falls, Minnesota, lying within a distance of 300.0 feet northwesterly of said Railroad Company's former main track centerline upon, over, and across the Northwest Quarter of the Southwest Quarter, the Northwest Quarter of the Northeast Quarter of the Southwest Quarter, the Southeast Quarter of the Southwest Quarter of the Northwest Quarter, and the Southeast Quarter of the Northwest Quarter of Section 36, Township 155 North, Range 25 West, Koochiching County, Minnesota;

which lies southerly of Line 1 described below:

Line 1. Commencing at a point on the north line of the Northeast Quarter of said Section 36, distant 466.0 feet easterly of the northwest corner thereof; thence southwesterly at an angle of 56 degrees 41 minutes from said north line (measured from west to south) for 458.6 feet; thence deflect to the right on a 01 degree 00 minute curve, delta angle 13 degrees 08 minutes, for 1313.3 feet; thence on tangent to said curve for 1500.0 feet; thence deflect to the left at an angle of 90 degrees 00 minutes for 200 feet to the point of beginning of Line 1 to be described; thence deflect to the left at an angle of 90 degrees 00 minutes for 1500.0 feet; thence deflect to the right at an angle of 90 degrees 00 minutes for 200 feet and there terminating;

containing 16.45 acres, more or less, of which 0.55 acres is contained within a public road (Koochiching County State-Aid Highway 31).

(e) The conveyance in this section is subject to the following restrictions:

(1) the right of way of the public road (Koochiching County State-Aid Highway 31 as now located and established) running along the east and west quarter line of said Section 36; and

(2) no access shall be permitted to marked Trunk Highway 71 or to remaining rail bank lands in said Section 36 from the lands conveyed in this section; except that access shall be permitted by way of said Koochiching County State-Aid Highway 31.

Sec. 51. **CONVEYANCE OF STATE LAND; LE SUEUR COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 16B.281 to 16B.287, 92.45, 161.43, and 161.44, or any other law to the contrary, the commissioner of transportation may convey and quitclaim to a private party all right, title, and interest of the state of Minnesota, in the land described in paragraph (e). The consideration for a conveyance shall be the cost of planning, designing, acquiring, constructing, and equipping a comparable rest area facility.

(b) Proceeds from the sale of real estate or buildings under this section shall be deposited in the safety rest area account established in Minnesota Statutes, section 160.2745.

(c) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy. The conveyance may take place only upon conditions determined by the commissioner of transportation.

(d) No direct access shall be permitted between marked Trunk Highway 169 and the land conveyed under this section.

(e) The land to be conveyed is located in Le Sueur County and is described as tracts A, B, and C:

Tract A consists of that part of the West Half of the Southeast Quarter of Section 19, Township 112 North, Range 25 West, Le Sueur County, Minnesota, lying southeasterly of the southeasterly right-of-way line of marked Trunk Highway 169 as the same was located prior to January 1, 1990, and northerly of the northerly right-of-way line of old marked Trunk Highway 169 (now known as County State-Aid Highway 28); excepting therefrom that part thereof lying southwesterly of the following described line: From a point on the east line of said Section 19, distant 1273 feet north of the east quarter corner thereof, run southwesterly at an angle of 37 degrees 47 minutes 00 seconds from said east section line (measured from south to west) for 3332.5 feet; thence deflect to the right on a 01 degree 00 minute 00 second curve (delta angle 40 degrees 11 minutes 00 seconds) having a length of 4018.3 feet for 133.6 feet to the point of beginning of the line to be described; thence deflect to the left at an angle of 90 degrees 00 minutes 00 seconds to the tangent of said curve at said point for 1000 feet and there terminating.

Tract B consists of that part of the East Half of the Southeast Quarter of Section 19, Township 112 North, Range 25 West, Le Sueur County, Minnesota, lying southerly of the southeasterly right-of-way line of marked Trunk Highway 169 as located prior to January 1, 1990, northerly of the northerly right-of-way line of old marked Trunk Highway 169 (now known as County State-Aid Highway 28) and westerly of the following described line: From a point on the east line of said Section 19, distant 1273 feet north of the East Quarter corner thereof, run southwesterly at an angle of 37 degrees 47 minutes 00 seconds from said east section line (measured from south to west) for 2318 feet to the point of beginning of the line to be described; thence deflect to the left at an angle of 90 degrees 00 minutes 00 seconds for 400 feet; thence deflect to the right at an angle of 43 degrees 00 minutes 00 seconds for 1100 feet and there terminating.

Tract C consists of that part of the Southwest Quarter of the Southeast Quarter of Section 19, Township 112 North, Range 25 West, Le Sueur County, Minnesota, lying southeasterly of marked Trunk Highway 169 as located prior to January 1, 1971, and northwesterly of old marked Trunk Highway 169 (now known as County State-Aid

Highway 28) and southwesterly of the following described line: From a point on the east line of said Section 19, distant 1273 feet north of the East Quarter corner thereof, run southwesterly at an angle of 37 degrees 47 minutes 00 seconds with said east section line for 3332.5 feet; thence deflect to the right on a 01 degree 00 minute 00 second curve (delta angle 40 degrees 11 minutes 00 seconds) having a length of 4018.3 feet for 133.6 feet to the point of beginning of the line to be described; thence deflect to the left at an angle of 90 degrees 00 minutes 00 seconds with the tangent of said curve at said point for 1000 feet and there terminating.

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

Sec. 52. **LEGISLATIVE ROUTE NO. 235 REMOVED.**

(a) Minnesota Statutes, section 161.115, subdivision 166, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of Otter Tail County to transfer jurisdiction of Legislative Route No. 235 and notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 53. **LEGISLATIVE ROUTE NO. 256 REMOVED.**

(a) Minnesota Statutes, section 161.115, subdivision 187, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of Blue Earth County to transfer jurisdiction of Legislative Route No. 256 and notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 54. **AUTONOMOUS VEHICLES.**

(a) The commissioner of transportation shall evaluate policies and develop a proposal for legislation governing regulation of autonomous vehicles, which may include but is not limited to traffic and safety regulations, technical equipment requirements, surety bonds, and establishment of a pilot program. In developing the proposal, the commissioner shall, at a minimum, consult with the commissioner of public safety, automotive and commercial transportation industry representatives, transportation safety representatives, law enforcement officials, interested members of the house of representatives and senate, and other interested stakeholders.

(b) By January 31, 2014, the commissioner shall electronically submit a copy of the proposal, along with any accompanying information as appropriate, to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance.

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

Sec. 55. **REPEALER.**

(a) Minnesota Statutes 2012, section 168.094, is repealed.

(b) Minnesota Statutes 2012, section 174.24, subdivision 5, is repealed.

(c) Minnesota Rules, part 8820.3300, subpart 2, is repealed.

(d) Minnesota Rules, part 8835.0330, subpart 2, is repealed.

Sec. 56. **EFFECTIVE DATE.**

Except as provided otherwise, this act is effective August 1, 2013."

Delete the title and insert:

"A bill for an act relating to transportation; amending various provisions related to transportation policy, including logo sign program, trunk highway routes, state-aid systems, motor vehicle registration, license plates, vehicle dealers, pupil transportation, traffic regulations, bicycles, parking, motor vehicle equipment, driver licensing, agency organization, commercial vehicle regulations, railroads, land conveyance, and autonomous vehicles; repealing laws; amending Minnesota Statutes 2012, sections 160.80, subdivisions 1, 1a, 2; 161.04, subdivision 5; 161.115, subdivision 229, by adding a subdivision; 161.1231, subdivision 8; 161.14, by adding a subdivision; 162.02, subdivision 3a; 162.09, subdivision 3a; 162.13, subdivision 2; 168.017, subdivisions 2, 3; 168.053, subdivision 1; 168.123, subdivision 2; 168.183, subdivision 1; 168.187, subdivision 17; 168.27, subdivisions 10, 11, by adding a subdivision; 169.011, subdivision 71; 169.04; 169.18, subdivisions 4, 7; 169.19, subdivision 1; 169.222, subdivisions 2, 4, 6; 169.34, subdivision 1; 169.346, subdivision 2, by adding a subdivision; 169.443, subdivision 9; 169.447, subdivision 2; 169.454, subdivision 12; 169.68; 169.824, subdivision 2; 171.01, subdivision 49b; 171.07, subdivisions 3a, 4; 174.02, by adding a subdivision; 174.24, subdivision 5a; 174.632; 174.636; 219.17; 219.18; 219.20; 221.0314, subdivisions 2, 3a; proposing coding for new law in Minnesota Statutes, chapter 174; repealing Minnesota Statutes 2012, sections 168.094; 174.24, subdivision 5; Minnesota Rules, parts 8820.3300, subpart 2; 8835.0330, subpart 2."

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

The report was adopted.

Liebling from the Committee on Health and Human Services Policy to which was referred:

H. F. No. 1448, A bill for an act relating to human services; modifying payment methodologies for home and community-based services; amending Minnesota Statutes 2012, sections 256B.4912, subdivisions 2, 3; 256B.4913.

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.

Mullery from the Committee on Early Childhood and Youth Development Policy to which was referred:

H. F. No. 1471, A bill for an act relating to human services; providing for a pilot project to coordinate community violence prevention programs for African-American children; appropriating money.

Reported the same back with the following amendments:

Page 1, delete section 1

Page 3, line 12, delete "to 3" and insert "and 2"

Renumber the sections in sequence

With the recommendation that when so amended the bill pass and be re-referred to the Committee on State Government Finance and Veterans Affairs.

The report was adopted.

Simon from the Committee on Elections to which was referred:

H. F. No. 1497, A bill for an act relating to elections; modifying provisions related to election law including provisions related to redistricting, absentee voting, registration, ballots, election day activities, municipal elections, school district elections, voting, campaigns, and hospital district elections; amending Minnesota Statutes 2012, sections 103C.305, subdivision 3; 201.071, subdivision 2; 203B.08, subdivision 3; 203B.081; 204B.22, subdivision 1; 204C.14; 204D.11, subdivision 4; 205.10, subdivision 3; 205A.08, subdivision 1; 206.895; 208.04, subdivision 1; 211B.045; 447.32, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 2.

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

The report was adopted.

Simon from the Committee on Elections to which was referred:

H. F. No. 1498, A bill for an act relating to elections; making various changes to election law provisions including provisions related to voter registration, absentee ballots, election day activities, state general election ballots, municipal elections, school district elections, voting, campaigns, hospital district elections, and redistricting; amending Minnesota Statutes 2012, sections 103C.305, subdivision 3; 201.071, subdivision 2; 203B.081; 203B.227; 204B.04, by adding a subdivision; 204B.18, subdivision 2; 204B.32, subdivision 1; 204B.36, subdivision 1; 204C.14; 204C.19, subdivision 2; 204C.25; 204C.27; 204D.08, subdivision 6; 204D.11, subdivisions 1, 4, 5, 6; 204D.13, subdivision 3; 204D.14, subdivisions 1, 3; 204D.15, subdivision 3; 205.13, subdivision 1a; 205.17, subdivisions 1, 3; 205A.05, subdivision 2; 205A.08, subdivision 1; 206.61, subdivision 4; 206.895; 208.04, subdivision 2; 211B.045; 447.32, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 2; repealing Minnesota Statutes 2012, sections 204B.42; 204D.11, subdivisions 2, 3; 205.17, subdivisions 2, 4; 205A.08, subdivision 4.

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

The report was adopted.

## **SECOND READING OF HOUSE BILLS**

H. F. Nos. 129, 483, 504, 590, 634, 690, 792, 798, 804, 1043, 1054, 1118, 1120, 1214, 1226, 1293, 1497 and 1498 were read for the second time.

**INTRODUCTION AND FIRST READING OF HOUSE BILLS**

The following House Files were introduced:

Radinovich, Mariani, Newton, Moran and Melin introduced:

H. F. No. 1600, A bill for an act relating to education finance; modifying and repealing certain education funding provisions; establishing a general education levy; eliminating existing general education levies; rolling the alternative compensation programs out of general education; appropriating money; amending Minnesota Statutes 2012, sections 122A.415, by adding subdivisions; 126C.10, subdivisions 1, 13a, 13b, 29, 30, 32, 33, 34, 35, 36; 126C.13, subdivision 4, by adding subdivisions; repealing Minnesota Statutes 2012, section 126C.10, subdivisions 13a, 13b, 29, 30, 32, 33, 34, 35, 36.

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

Peppin introduced:

H. F. No. 1601, A bill for an act relating to taxation; property; limiting fiscal disparities contributions for certain municipalities; amending Minnesota Statutes 2012, sections 473F.07, subdivision 1; 473F.08, subdivisions 2, 6.

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

Moran introduced:

H. F. No. 1602, A bill for an act relating to human rights; establishing Criminal Background Check Act; proposing coding for new law in Minnesota Statutes, chapter 363A.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Clark introduced:

H. F. No. 1603, A bill for an act relating to housing; creating the Housing Opportunity Made Equitable (HOME) pilot project; appropriating money.

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

Abeler introduced:

H. F. No. 1604, A bill for an act relating to health; requiring reporting of diverted narcotics or controlled substances; amending Minnesota Statutes 2012, section 214.33, by adding a subdivision.

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

Schomacker and Huntley introduced:

H. F. No. 1605, A bill for an act relating to health; directing medical education and research funds to the University of Minnesota; amending Minnesota Statutes 2012, section 62J.692, subdivision 4.

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

Myhra; Moran; Loon; Selcer; Mariani; Mack; Pugh; Laine; Marquart; Erickson, S.; Barrett; Brynaert; Kresha; Gruenhagen; Ward, J.E.; Winkler; Slocum; Zellers; Fabian; Dean, M.; Garofalo; McDonald; Wills; Swedzinski; Woodard; Morgan; Sanders; Kiel; Mullery; Benson, M.; Abeler; O'Driscoll; Schomacker; Quam and Davids introduced:

H. F. No. 1606, A bill for an act relating to early childhood; establishing focused home visiting grants; appropriating money; amending Minnesota Statutes 2012, section 145A.17, subdivisions 1, 7.

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

Simonson introduced:

H. F. No. 1607, A bill for an act relating to taxation; economic development; providing clarifying authority for political subdivisions imposing and collecting local lodging taxes; amending Minnesota Statutes 2012, section 469.190, by adding a subdivision.

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

Lien; Davnie; Lenczewski; Simonson; Faust; Mahoney; Davids; Carlson; Johnson, C.; Hamilton; Torkelson; Kiel; Nelson; McNamar; Hansen and Marquart introduced:

H. F. No. 1608, A bill for an act relating to taxation; local government aid; modifying the formula and changing the appropriation; amending Minnesota Statutes 2012, sections 477A.011, subdivisions 30, 34, 42, by adding subdivisions; 477A.013, subdivisions 8, 9, by adding a subdivision; 477A.03, subdivision 2a, by adding a subdivision; repealing Minnesota Statutes 2012, sections 477A.011, subdivisions 2a, 19, 29, 31, 32, 33, 36, 39, 40, 41, 42; 477A.013, subdivisions 11, 12; 477A.0133; 477A.0134.

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

Loeffler; Hausman; Bernardy; Dehn, R.; Fischer; Johnson, S.; Lesch; Davnie; Laine; Clark; Paymar; Slocum; Mahoney; Hansen; Mullery; Lillie; Wagenius; Kahn; Allen; Mariani; Yarusso and Moran introduced:

H. F. No. 1609, A bill for an act relating to transportation; mass transit finance; providing for equitable transit fares; establishing requirements for bus and bus shelter policies; amending Minnesota Statutes 2012, sections 473.391, by adding subdivisions; 473.408, by adding a subdivision.

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

Johnson, C., introduced:

H. F. No. 1610, A bill for an act relating to transportation; capital investment; appropriating money for construction along marked U.S. Highway 14; authorizing the sale and issuance of state bonds.

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

Anzels and Erickson, R., introduced:

H. F. No. 1611, A bill for an act relating to capital investment; appropriating money for reforestation and forest roads and bridges; authorizing the sale and issuance of state bonds.

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

Benson, M.; Scott; Sanders; Franson; McDonald; Runbeck; Dettmer; Pugh; Myhra; Dean, M., and Quam introduced:

H. F. No. 1612, A bill for an act relating to elections; requiring voters to provide picture identification before receiving a ballot; providing for the issuance of voter identification cards at no charge; changing certain canvassing deadlines; requiring certain notice; establishing a procedure for provisional balloting; appropriating money; amending Minnesota Statutes 2012, sections 171.07, subdivisions 4, 9, by adding a subdivision; 201.061, subdivision 3; 201.12, subdivision 1; 201.221, subdivision 3; 204C.10; 204C.12, subdivision 3; 204C.32; 204C.33, subdivision 1; 204C.37; 205.065, subdivision 5; 205.185, subdivision 3; 205A.03, subdivision 4; 205A.10, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 200; 201; 204C.

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

Dorholt and Theis introduced:

H. F. No. 1613, A bill for an act relating to lawful gambling; exempting bingo halls from combined net receipts tax; amending Minnesota Statutes 2012, section 297E.02, subdivision 6.

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

Metsa, Erhardt, Beard, O'Neill and Holberg introduced:

H. F. No. 1614, A bill for an act relating to transportation; establishing surcharge for all-electric vehicles; amending Minnesota Statutes 2012, sections 168.002, by adding a subdivision; 168.013, by adding a subdivision; 169.011, by adding a subdivision.

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



Dorholt, Sawatzky, Simonson, Radinovich, Melin, Lien and Erickson, R., introduced:

H. F. No. 1615, A bill for an act relating to transportation; transit; reimbursing greater Minnesota transit providers for free transit rides provided to disabled veterans; appropriating money.

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

Masin and Halverson introduced:

H. F. No. 1616, A bill for an act relating to tax increment financing; extending temporary authority of the city of Eagan to spend certain tax increments.

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

Lien, Dorholt, FitzSimmons, Nornes, Swedzinski and Gruenhagen introduced:

H. F. No. 1617, A bill for an act relating to higher education; regulating the state grant amount of part-time students; amending Minnesota Statutes 2012, section 136A.101, subdivision 5a.

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

Radinovich; Ward, J.E.; Hausman and Lillie introduced:

H. F. No. 1618, A bill for an act relating to capital investment; appropriating money for the Cuyuna Lakes State Trail; authorizing the sale and issuance of state bonds.

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

Loon introduced:

H. F. No. 1619, A bill for an act relating to tobacco; modifying the definition of cigarette; proposing a study; requiring a report; appropriating money; amending Minnesota Statutes 2012, sections 297F.01, subdivision 3; 325D.32, subdivision 2.

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

Kahn; Franson; Lillie; Urdahl; McDonald; Wills; Allen; Lesch; O'Driscoll; Murphy, M.; Mariani; Falk; Dorholt; Drazkowski; Dehn, R.; Persell; Metsa; Bly; Runbeck; Clark; Davnie; Newton; Moran; Albright; Selcer; Ward, J.A.; Sawatzky; Masin; Davids; Swedzinski; Peppin; Newberger; Hamilton; Johnson, S., and Beard introduced:

H. F. No. 1620, A bill for an act relating to public safety; prohibiting a law enforcement agency from using drones to gather evidence or other information; prohibiting use of drones by persons; prohibiting the use of drones by a federal agency within the boundaries of the state; proposing coding for new law in Minnesota Statutes, chapters 624; 634.

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

Mahoney, Sawatzky, Uglen, Moran, Schoen and Davids introduced:

H. F. No. 1621, A bill for an act relating to workforce development; appropriating money for FastTRAC.

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

Nornes and McNamar introduced:

H. F. No. 1622, A bill for an act relating to capital investment; modifying bond authorizations and appropriations for the Fergus Falls Regional Treatment Center; amending Laws 2002, chapter 393, section 22, subdivision 6, as amended; Laws 2005, chapter 20, article 1, section 20, subdivision 3, as amended; Laws 2006, chapter 258, section 18, subdivision 6.

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

Beard, Hornstein, Erhardt and Hansen introduced:

H. F. No. 1623, A bill for an act relating to taxation; income and corporate franchise; providing for a subtraction of certain railroad track maintenance expenditures; amending Minnesota Statutes 2012, sections 290.01, subdivisions 19b, 19d; 290.091, subdivision 2.

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

Clark introduced:

H. F. No. 1624, A bill for an act relating to housing; appropriating a portion of the proceeds of the mortgage registry tax and deed tax to the Minnesota Housing Finance Agency to be used for creation of affordable housing units.

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

Anderson, P., introduced:

H. F. No. 1625, A bill for an act relating to human services; modifying payment rates for low-rate nursing facilities; amending Minnesota Statutes 2012, section 256B.441, subdivision 61.

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

Anderson, P., introduced:

H. F. No. 1626, A bill for an act relating to human services; modifying payment rates for nursing facilities; amending Minnesota Statutes 2012, section 256B.441, subdivisions 55, 62.

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

**MESSAGES FROM THE SENATE**

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 5, A bill for an act relating to commerce; establishing the Minnesota Insurance Marketplace; prescribing its powers and duties; prohibiting abortion coverage with certain exemptions; recognizing the right to a person's physician of choice; establishing the right not to participate; specifying open meeting requirements and data practices procedures; appropriating money; amending Minnesota Statutes 2012, section 13.7191, by adding a subdivision; proposing coding for new law as Minnesota Statutes, chapter 62V.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

JOANNE M. ZOFF, 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. 87, A bill for an act relating to real property; providing for affidavit of survivorship; providing for release or partial release of lien of a mortgage; claiming an interest in registered land after registration; making technical and conforming changes; amending Minnesota Statutes 2012, sections 507.092, subdivision 1; 507.403; 508.70, subdivision 1; 508.82, subdivision 1; 508A.70, subdivision 1; 508A.82, subdivision 1.

JOANNE M. ZOFF, Secretary of the Senate

**CONCURRENCE AND REPASSAGE**

Winkler moved that the House concur in the Senate amendments to H. F. No. 87 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 87, A bill for an act relating to real property; providing for affidavit of survivorship; providing for release or partial release of lien of a mortgage; claiming an interest in registered land after registration; making technical and conforming changes; amending Minnesota Statutes 2012, sections 507.092, subdivision 1; 507.403; 508.70, subdivision 1; 508.82, subdivision 1; 508A.70, subdivision 1; 508A.82, subdivision 1.

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 125 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean, M.	Hansen	Lesch	Newberger	Scott
Albright	Dehn, R.	Hausman	Liebling	Newton	Selcer
Allen	Dettmer	Hertaus	Lien	Nornes	Simon
Anderson, M.	Dorholt	Hilstrom	Lillie	Norton	Simonson
Anderson, P.	Drazkowski	Holberg	Loeffler	O'Driscoll	Sundin
Anderson, S.	Erhardt	Hoppe	Mahoney	O'Neill	Swedzinski
Anzelc	Erickson, R.	Hornstein	Mariani	Paymar	Theis
Atkins	Erickson, S.	Hortman	Marquart	Pelowski	Torkelson
Barrett	Fabian	Howe	Masin	Peppin	Uglem
Beard	Falk	Huntley	McDonald	Persell	Urdahl
Benson, J.	Faust	Isaacson	McNamar	Petersburg	Wagenius
Benson, M.	Fischer	Johnson, B.	McNamara	Poppe	Ward, J.A.
Bernardy	FitzSimmons	Johnson, C.	Melin	Pugh	Ward, J.E.
Bly	Franson	Johnson, S.	Metsa	Quam	Wills
Brynaert	Freiberg	Kahn	Moran	Rosenthal	Winkler
Carlson	Fritz	Kieffer	Morgan	Runbeck	Woodard
Clark	Green	Kiel	Mullery	Sanders	Yarusso
Cornish	Gruenhagen	Kresha	Murphy, E.	Savick	Zellers
Daudt	Gunther	Laine	Murphy, M.	Sawatzky	Zerwas
Davids	Halverson	Leidiger	Myhra	Schoen	Spk. Thissen
Davnie	Hamilton	Lenczewski	Nelson	Schomacker	

Those who voted in the negative were:

Garofalo                      Lohmer

The bill was repassed, as amended by the Senate, and its title agreed to.

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No 359.

JOANNE M. ZOFF, Secretary of the Senate

### FIRST READING OF SENATE BILLS

S. F. No. 359, A bill for an act relating to state government; designating the month of April as Genocide Awareness and Prevention Month; proposing coding for new law in Minnesota Statutes, chapter 10.

The bill was read for the first time.

Hornstein moved that S. F. No. 359 and H. F. No. 414, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

**MOTIONS AND RESOLUTIONS**

Halverson moved that her name be stricken as an author on H. F. No. 5. The motion prevailed.

Norton moved that the name of Fischer be added as an author on H. F. No. 181. The motion prevailed.

Morgan moved that the name of Selcer be added as an author on H. F. No. 393. The motion prevailed.

Poppe moved that the name of Johnson, C., be added as an author on H. F. No. 462. The motion prevailed.

Runbeck moved that the name of Newton be added as an author on H. F. No. 470. The motion prevailed.

Allen moved that the name of Halverson be added as an author on H. F. No. 485. The motion prevailed.

Simonson moved that the name of Lien be added as an author on H. F. No. 507. The motion prevailed.

Simon moved that the name of Fischer be added as an author on H. F. No. 681. The motion prevailed.

Marquart moved that the names of Lien and Erickson, R., be added as authors on H. F. No. 691. The motion prevailed.

Clark moved that the name of Moran be added as an author on H. F. No. 703. The motion prevailed.

Gruenhagen moved that his name be stricken as an author on H. F. No. 848. The motion prevailed.

Clark moved that the name of Davnie be added as an author on H. F. No. 850. The motion prevailed.

Simon moved that the name of Kahn be added as an author on H. F. No. 859. The motion prevailed.

Bernardy moved that the name of Kahn be added as an author on H. F. No. 860. The motion prevailed.

Hansen moved that the name of Kahn be added as an author on H. F. No. 868. The motion prevailed.

Hornstein moved that the name of Kahn be added as an author on H. F. No. 880. The motion prevailed.

Hansen moved that the names of Kelly and Kahn be added as authors on H. F. No. 906. The motion prevailed.

Winkler moved that the name of Kahn be added as an author on H. F. No. 915. The motion prevailed.

Davnies moved that the name of Kahn be added as an author on H. F. No. 924. The motion prevailed.

Morgan moved that the name of Kahn be added as an author on H. F. No. 928. The motion prevailed.

Laine moved that the name of Kahn be added as an author on H. F. No. 937. The motion prevailed.

Liebling moved that the names of Persell and McNamar be added as authors on H. F. No. 946. The motion prevailed.

Fabian moved that the name of Persell be added as an author on H. F. No. 949. The motion prevailed.

Mullery moved that the name of Kahn be added as an author on H. F. No. 994. The motion prevailed.

Mullery moved that the name of Kahn be added as an author on H. F. No. 995. The motion prevailed.

Persell moved that his name be stricken as an author on H. F. No. 1021. The motion prevailed.

Hortman moved that the name of Kahn be added as an author on H. F. No. 1044. The motion prevailed.

Loeffler moved that the name of Kahn be added as an author on H. F. No. 1047. The motion prevailed.

Clark moved that the name of Hornstein be added as an author on H. F. No. 1054. The motion prevailed.

Clark moved that the name of Kahn be added as an author on H. F. No. 1056. The motion prevailed.

Norton moved that the name of Kahn be added as an author on H. F. No. 1064. The motion prevailed.

Hausman moved that the name of Kahn be added as an author on H. F. No. 1070. The motion prevailed.

Simon moved that the names of Loeffler and Kahn be added as authors on H. F. No. 1083. The motion prevailed.

Wagenius moved that the name of Kahn be added as an author on H. F. No. 1100. The motion prevailed.

Mullery moved that the name of Kahn be added as an author on H. F. No. 1155. The motion prevailed.

Clark moved that the name of Moran be added as an author on H. F. No. 1192. The motion prevailed.

Isaacson moved that the names of Kahn and Ward, J.A., be added as authors on H. F. No. 1194. The motion prevailed.

Huntley moved that the name of Ward, J.E., be added as an author on H. F. No. 1233. The motion prevailed.

Fritz moved that the name of Lien be added as an author on H. F. No. 1235. The motion prevailed.

Norton moved that the name of Liebling be added as an author on H. F. No. 1338. The motion prevailed.

Schoen moved that the name of Carlson be added as an author on H. F. No. 1341. The motion prevailed.

Clark moved that the names of Ward, J.A., and Fischer be added as authors on H. F. No. 1453. The motion prevailed.

Barrett moved that the name of Lohmer be added as an author on H. F. No. 1565. The motion prevailed.

Mahoney moved that H. F. No. 750 be recalled from the Committee on Government Operations and be re-referred to the Committee on Taxes. The motion prevailed.

Myhra moved that H. F. No. 1058 be recalled from the Committee on Education Finance and be re-referred to the Committee on Civil Law. The motion prevailed.

Hortman moved that H. F. No. 1301, now on the General Register, be re-referred to the Committee on Commerce and Consumer Protection Finance and Policy. The motion prevailed.

ADJOURNMENT

Murphy, E., moved that when the House adjourns today it adjourn until 12:00 noon, Wednesday, March 20, 2013. The motion prevailed.

Murphy, E., moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:00 noon, Wednesday, March 20, 2013.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives

