

## STATE OF MINNESOTA

## EIGHTY-EIGHTH SESSION — 2013

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 TWENTY-EIGHTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, MARCH 20, 2013

The House of Representatives convened at 12:00 noon and was called to order by Paul Thissen, Speaker of the House.

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

A quorum was present.

Dill, Hackbarth, Mack, Slocum and Zellers were excused.

Anzels and Hornstein were excused until 1:35 p.m.

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

## REPORTS OF CHIEF CLERK

S. F. No. 359 and H. F. No. 414, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

## SUSPENSION OF RULES

Hornstein moved that the rules be so far suspended that S. F. No. 359 be substituted for H. F. No. 414 and that the House File be indefinitely postponed. The motion prevailed.

## REPORTS OF STANDING COMMITTEES AND DIVISIONS

Murphy, M., from the Committee on State Government Finance and Veterans Affairs to which was referred:

H. F. No. 11, A bill for an act relating to capital improvements; appropriating money to establish the Northern Minnesota Veterans Home; 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.

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

H. F. No. 19, A bill for an act relating to probate; multiparty accounts; allowing agency designations in certain situations; amending Minnesota Statutes 2012, sections 524.6-201, by adding a subdivision; 524.6-203; 524.6-204; 524.6-211; 524.6-213, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 524.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2012, section 524.6-201, is amended by adding a subdivision to read:

**Subd. 2a. Agent. "Agent" means a person authorized to make account transactions for a party.**

Sec. 2. Minnesota Statutes 2012, section 524.6-201, subdivision 7, is amended to read:

Subd. 7. **Party.** "Party" means a person who, by the terms of the account, has a present right, subject to request, to payment from a multiple-party account other than as an agent. A P.O.D. payee is a party only after the account becomes payable by reason of the payee surviving the original party. Unless the context otherwise requires, it includes a guardian, conservator, personal representative, or assignee, including an attaching creditor, of a party. It also includes a person identified as a trustee of an account for another whether or not a beneficiary is named, but it does not include any named beneficiary unless the beneficiary has a present right of withdrawal.

Sec. 3. Minnesota Statutes 2012, section 524.6-203, is amended to read:

**524.6-203 OWNERSHIP DURING LIFETIME.**

(a) A joint account belongs, during the lifetime of all parties, to the parties in proportion to the net contributions by each to the sums on deposit, unless there is clear and convincing evidence of a different intent.

(b) A P.O.D. account belongs to the original purchasing or depositing party during the party's lifetime and not to the P.O.D. payee or payees; if two or more parties are named as original parties, during their lifetimes, rights as between them are governed by ~~clause paragraph~~ (a).

(c) An agent in an account with an agency designation has no beneficial right to sums on deposit by virtue of being named as an agent.

Sec. 4. **[524.6-215] DESIGNATION OF AGENT.**

(a) By a writing signed by all parties, or by less than all of the parties if the contract of deposit expressly so provides, the parties may designate, as an agent of all parties on an account, a person other than a party.

(b) Unless the terms of an agency designation provide that the authority of the agent terminates on disability or incapacity of a party, the agent's authority survives disability and incapacity. The agent may act for a party until the authority of the agent is terminated by the party, by an attorney-in-fact appointed by the party, or by a conservator appointed to protect the interests of the party.

(c) Death of the sole party or last surviving party terminates the authority of an agent.

(d) Except as otherwise provided for in section 524.6-211, a financial institution is not liable for account transactions performed at the direction of, or authorized by, an agent under an agency designation for an account if:

(1) the financial institution has no actual notice of the determination of the agent's authority prior to the transaction;

(2) the financial institution has no actual knowledge of the death of the sole party or last surviving party; or

(3) the agent's authority does not survive the disability or incapacity of all the parties, and the financial institution has not received actual notice of such disability or incapacity.

Sec. 5. **[524.6-216] TYPES OF ACCOUNT; EXISTING ACCOUNTS.**

(a) An account may be for a single party or multiple parties. A multiple-party account may be with or without a right of survivorship between the parties. Subject to section 524.6-204, either a single-party account or a multiple-party account may have a P.O.D. designation, an agency designation, or both.

(b) An account established before, on or after August 1, 2013, whether in the form prescribed in section 524.6-213 or in any other form acceptable to the financial institution, is either a single-party account or a multiple-party account, with or without right of survivorship, and with or without a P.O.D. designation or an agency designation within the meaning of this chapter, and is governed by this chapter.

(c) An agency designation created on or after August 1, 2013, is governed by this chapter.

Sec. 6. Minnesota Statutes 2012, section 524.6-204, is amended to read:

**524.6-204 RIGHT OF SURVIVORSHIP.**

(a) Sums remaining on deposit at the death of a party to a joint account belong to the surviving party or parties as against the estate of the decedent unless: (1) there is clear and convincing evidence of a different intention; or (2) there is a different disposition made by a valid will ~~as herein provided~~, specifically referring to such account, as herein provided. If there are two or more surviving parties, their respective ownerships during lifetime shall be in

proportion to their previous ownership interests under section 524.6-203 augmented by an equal share for each survivor of any interest the decedent may have owned in the account immediately before death; and the right of survivorship continues between the surviving parties. The interest so determined is also the interest disposable by will.

(b) If the account is a P.O.D. account, on the death of the original party or of the survivor of two or more original parties, any sums remaining on deposit belong to the P.O.D. payees if surviving, or to the survivor of them if one or more die before the surviving original party; if two or more P.O.D. payees survive, there is no right of survivorship in event of death of a P.O.D. payee thereafter unless the terms of the account or deposit agreement expressly provide for survivorship between them.

(c) In other cases, the death of any party to a multiple-party account has no effect on beneficial ownership of the account other than to transfer the rights of the decedent as part of the estate.

(d) A right of survivorship arising from the express terms of the account, or under this section, or under a P.O.D. payee designation, may be changed by specific reference by will, but the terms of such will shall not be binding upon any financial institution unless it has been given a notice in writing of a claim thereunder, in which event the deposit shall remain undisbursed until an order has been made by the probate court adjudicating the decedent's interest disposable by will.

Sec. 7. Minnesota Statutes 2012, section 524.6-211, is amended to read:

**524.6-211 FINANCIAL INSTITUTION PROTECTION; DISCHARGE.**

Payment made pursuant to sections 524.6-208 to 524.6-210 discharges the financial institution from all claims for amounts so paid whether or not the payment is consistent with the beneficial ownership of the account as between parties, P.O.D. payees, or beneficiaries by will or otherwise, or their successors. The protection here given does not extend to payments made after a financial institution has received written notice from any person entitled to request payment to the effect that withdrawals in accordance with the terms of the account, including one having an agency designation, should not be permitted, and the financial institution has had a reasonable opportunity to act on it when the payment is made. Unless the notice is withdrawn by the person giving it, the successor of any deceased party and all other parties entitled to payment must concur in any demand for withdrawal if the financial institution is to be protected under this section. No other notice or any other information shown to have been available to a financial institution shall affect its right to the protection provided here. A financial institution that receives written notice pursuant to this section, or that otherwise has reason to believe that a dispute exists as to the rights of the parties may refuse, without liability, to make payment in accordance with the terms of the account. The protection here provided shall not affect the rights of parties in disputes between themselves or their successors concerning the beneficial ownership of funds in, or withdrawn from, multiple-party accounts.

Sec. 8. Minnesota Statutes 2012, section 524.6-213, is amended by adding a subdivision to read:

Subd. 3. **Contract of deposit; sample form.** A contract of deposit that contains provisions in substantially the following form establishes the type of account provided, and the account is governed by the provisions of this part applicable to an account of that type:

UNIFORM SINGLE- OR MULTIPLE-PARTY ACCOUNT FORM

PARTIES [Name One Or More Parties]:

.....

OWNERSHIP [Select One And Initial]:

..... SINGLE-PARTY ACCOUNT

..... MULTIPLE-PARTY ACCOUNT

Parties own account in proportion to net contributions unless there is clear and convincing evidence of a different intent.

RIGHTS AT DEATH [Select One And Initial]:

..... SINGLE-PARTY ACCOUNT

At death of party, ownership passes as part of party's estate.

..... SINGLE-PARTY ACCOUNT WITH P.O.D. (PAYABLE ON DEATH) DESIGNATION

[Name One Or More Beneficiaries]:

.....

At death of party, ownership passes to P.O.D. beneficiaries and is not part of party's estate.

..... MULTIPLE-PARTY ACCOUNT WITH RIGHT OF SURVIVORSHIP

At death of party, ownership passes to surviving parties.

..... MULTIPLE-PARTY ACCOUNT WITH RIGHT OF SURVIVORSHIP AND P.O.D. (PAYABLE ON DEATH) DESIGNATION

[Name One Or More Beneficiaries]:

.....

At death of last surviving party, ownership passes to P.O.D. beneficiaries and is not part of last surviving party's estate.

..... MULTIPLE-PARTY ACCOUNT WITHOUT RIGHT OF SURVIVORSHIP

At death of party, deceased party's ownership passes as part of deceased party's estate.

..... AGENCY DESIGNATION [Optional]

Agents may make account transactions for parties but have no ownership or rights at death unless named as P.O.D. beneficiaries. [To Add Agency Designation To Account, Name One Or More Agents]:

.....

[Select One And Initial]:

..... AGENCY DESIGNATION SURVIVES DISABILITY OR INCAPACITY OF ANY OR ALL OF THE PARTIES

..... AGENCY DESIGNATION TERMINATES ON DISABILITY OR INCAPACITY OF THE SOLE PARTY OR THE LAST SURVIVING PARTY

Sec. 9. Minnesota Statutes 2012, section 524.6-213, is amended by adding a subdivision to read:

Subd. 4. **Contract of deposit; generally.** A contract of deposit that does not contain provisions in substantially the form provided in subdivision 3 is governed by the provisions of this part applicable to the type of account that most nearly conforms to the depositor's intent."

Delete the title and insert:

"A bill for an act relating to accounts; allowing agency designations in certain situations; providing form language; making clarifying changes; amending Minnesota Statutes 2012, sections 524.6-201, subdivision 7, by adding a subdivision; 524.6-203; 524.6-204; 524.6-211; 524.6-213, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 524."

With the recommendation that when so amended the bill pass.

The report was adopted.

Murphy, M., from the Committee on State Government Finance and Veterans Affairs to which was referred:

H. F. No. 109, A bill for an act relating to capital investment; appropriating money for a new veterans nursing home in Brainerd; authorizing the sale and issuance of state bonds.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[198.365] VETERANS HOME; BRAINERD.**

The commissioner may establish a veterans home in Brainerd to provide at least 70 beds for skilled nursing care in conformance with licensing rules of the Department of Health.

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

Delete the title and insert:

"A bill for an act relating to veterans; authorizing a veterans home in Brainerd; proposing coding for new law in Minnesota Statutes, chapter 198."

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

The report was adopted.

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

H. F. No. 128, A bill for an act relating to solid waste; amending process for cities to implement organized collection of solid waste; amending Minnesota Statutes 2012, section 115A.94, subdivisions 2, 5, by adding subdivisions; repealing Minnesota Statutes 2012, section 115A.94, subdivision 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2012, section 115A.94, subdivision 2, is amended to read:

Subd. 2. **Local authority.** A city or town may organize collection, after public notification and hearing as required in ~~subdivision 4~~ subdivisions 4a to 4d. A county may organize collection as provided in subdivision 5. A city or town that has organized collection as of May 1, 2013, is exempt from subdivisions 4a to 4d.

Sec. 2. Minnesota Statutes 2012, section 115A.94, is amended by adding a subdivision to read:

Subd. 4a. **Committee establishment.** (a) Before implementing an ordinance, franchise, license, contract, or other means of organizing collection, a city or town, by resolution of the governing body, must establish an organized collection options committee to identify, examine, and evaluate various methods of organized collection. The governing body shall appoint the committee members.

(b) The organized collection options committee is subject to chapter 13D.

Sec. 3. Minnesota Statutes 2012, section 115A.94, is amended by adding a subdivision to read:

Subd. 4b. **Committee duties.** The committee established under subdivision 4a shall:

(1) determine which methods of organized collection to examine, which must include:

(i) a system in which a single collector collects solid waste from all sections of a city or town; and

(ii) a system in which multiple collectors, either singly or as members of an organization of collectors, collect solid waste from different sections of a city or town;

(2) establish a list of criteria on which the organized collection methods selected for examination will be evaluated, which may include: costs to residential subscribers, miles driven by collection vehicles on city streets and alleys, initial and operating costs to the city of implementing the organized collection system, providing incentives for waste reduction, impacts on solid waste collectors, and other physical, economic, fiscal, social, environmental, and aesthetic impacts;

(3) collect information regarding the operation and efficacy of existing methods of organized collection in other cities and towns;

(4) seek input from, at a minimum:

(i) the governing body of the city or town;

(ii) the local official of the city or town responsible for solid waste issues;

(iii) persons currently licensed to operate solid waste collection and recycling services in the city or town; and

(iv) residents of the city or town who currently pay for residential solid waste collection services; and

(5) issue a report on the committee's research, findings, and any recommendations to the governing body of the city or town.

Sec. 4. Minnesota Statutes 2012, section 115A.94, is amended by adding a subdivision to read:

**Subd. 4c. Governing body; implementation.** The governing body of the city or town shall consider the report and recommendations of the organized collection options committee. The governing body must provide public notice and hold at least one public hearing before deciding whether to implement organized collection. Organized collection may begin no sooner than six months after the effective date of the decision of the governing body of the city or town to implement organized collection.

Sec. 5. Minnesota Statutes 2012, section 115A.94, is amended by adding a subdivision to read:

**Subd. 4d. Participating collectors proposal requirement.** Prior to establishing a committee under subdivision 4a to consider organizing residential solid waste collection, a city or town with more than one licensed collector must notify the public and all licensed collectors in the community. The city or town must provide a 60-day period in which meetings and negotiations shall occur exclusively between licensed collectors and the city or town to develop a proposal in which interested licensed collectors, as members of an organization of collectors, collect solid waste from designated sections of the city or town. The proposal shall include identified city or town priorities, including issues related to zone creation, traffic, safety, environmental performance, service provided, and price, and shall reflect existing haulers maintaining their respective market share of business as determined by each hauler's average customer count during the six months prior to the commencement of the 60-day negotiation period. If an existing hauler opts to be excluded from the proposal, the city may allocate its customers proportionally based on market share to the participating collectors who choose to negotiate. The initial organized collection agreement executed under this subdivision must be for a period of three to seven years. Upon execution of an agreement between the participating licensed collectors and city or town, the city or town shall establish organized collection through appropriate local controls and is not required to fulfill the requirements of subdivisions 4a, 4b, and 4c, except that the governing body must provide the public notification and hearing required under subdivision 4c.

Sec. 6. Minnesota Statutes 2012, section 115A.94, subdivision 5, is amended to read:

**Subd. 5. County organized collection.** (a) A county may by ordinance require cities and towns within the county to organize collection. Organized collection ordinances of counties may:

- (1) require cities and towns to require the separation and separate collection of recyclable materials;
- (2) specify the material to be separated; and
- (3) require cities and towns to meet any performance standards for source separation that are contained in the county solid waste plan.

(b) A county may itself organize collection under ~~subdivision 4~~ subdivisions 4a to 4d in any city or town that does not comply with a county organized collection ordinance adopted under this subdivision, and the county may implement, as part of its organized collection, the source separation program and performance standards required by its organized collection ordinance.

Sec. 7. **REPEALER.**

Minnesota Statutes 2012, section 115A.94, subdivision 4, is repealed.

Sec. 8. **EFFECTIVE DATE.**

This act is effective the day following final enactment."

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.



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

H. F. No. 142, A bill for an act relating to public safety; enhancing penalties for certain repeat criminal sexual conduct offenders; amending Minnesota Statutes 2012, section 609.3451, subdivision 3.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Judiciary Finance and Policy.

The report was adopted.

Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 4, H. F. No. 142 was re-referred to the Committee on Rules and Legislative Administration.

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

H. F. No. 152, A bill for an act relating to transportation; establishing a transportation ombudsperson; amending Minnesota Statutes 2012, section 174.02, by adding a subdivision.

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

The report was adopted.

Murphy, M., from the Committee on State Government Finance and Veterans Affairs to which was referred:

H. F. No. 221, A bill for an act relating to capital improvements; authorizing the sale and issuance of state bonds; appropriating money for a veterans home in Montevideo.

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.

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

H. F. No. 256, A bill for an act relating to human services; repealing the MFIP family cap; repealing Minnesota Statutes 2012, section 256J.24, subdivision 6.

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. 262, A bill for an act relating to health; creating a grant program for spinal cord injury and traumatic brain injury research; establishing the spinal cord and traumatic brain injury advisory committee; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 144.

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.

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

H. F. No. 300, A bill for an act relating to tenant's rights; creating a notice to quit or pay prior to filing an eviction action; amending Minnesota Statutes 2012, sections 504B.285, subdivision 1; 504B.291, by adding a subdivision; 504B.321, by adding a subdivision.

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. 348, A bill for an act relating to transportation; modifying application procedures and requirements for driver's license; amending Minnesota Statutes 2012, section 171.06, subdivision 3; repealing Minnesota Rules, part 7410.0410.

Reported the same back with the following amendments:

Page 3, line 5, delete "an official"

Page 3, delete lines 6 to 10 and insert "a valid, unexpired passport issued by a country other than the United States with a certified birth certificate from a country other than the United States, the District of Columbia, Guam, Puerto Rico, or the United States Virgin Islands. A passport and birth certificate under this paragraph must have"

Page 3, line 11, delete "(4)" and delete "card" and insert "document"

Page 3, line 13, after the period, insert "Any document not in English must be accompanied by a qualified English translation."

Page 3, after line 13, insert:

"(f) A driver's license, permit, or identification card issued based on providing a government identification card must include the term "status check" without a date."

Page 3, line 14, after "2014" insert ", and applies to a new driver's license, permit, or identification card or a renewal issued on or after that date"

Page 3, delete section 2

Correct the title numbers accordingly

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

The report was adopted.

Mariani from the Committee on Education Policy to which was referred:

H. F. No. 356, A bill for an act relating to education; allowing school districts to use safe schools levy proceeds for collaborating with mental health professionals; appropriating money; amending Minnesota Statutes 2012, section 126C.44.

Reported the same back with the following amendments:

Page 1, line 10, strike "\$30" and insert "\$45"

Page 2, line 11, strike "\$10" and insert "\$15"

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

The report was adopted.

Mariani from the Committee on Education Policy to which was referred:

H. F. No. 361, A bill for an act relating to education; providing education in care and treatment settings; appropriating money; amending Minnesota Statutes 2012, sections 124D.68, subdivision 2; 125A.11, subdivision 2; 125A.20; 125A.51; 125A.515, subdivision 1; 125A.75, subdivision 3; 126C.05, subdivision 1; 245.4871, subdivision 10; proposing coding for new law as Minnesota Statutes, chapter 125E; repealing Minnesota Statutes 2012, sections 125A.11; 125A.15; 125A.515, subdivisions 3, 3a, 4, 5, 6, 7, 8, 9, 10; 125A.52.

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

The report was adopted.

Murphy, M., from the Committee on State Government Finance and Veterans Affairs to which was referred:

H. F. No. 460, A bill for an act relating to capital investment; appropriating money for a new veterans nursing home in Brainerd; 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.

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

H. F. No. 536, A bill for an act relating to real property; establishing notice for contracts for deed involving residential property; providing remedies; amending Minnesota Statutes 2012, sections 507.235, subdivision 2; 559.211, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 559; repealing Minnesota Statutes 2012, section 507.235, subdivision 4.

Reported the same back with the following amendments:

Page 2, line 4, delete everything after "seller" and insert "during the 12-month period that precedes either: (1) the date on which the purchaser executes a purchase agreement under section 559.202; or (2) if there is no purchase agreement, the date on which the purchaser executes a contract for deed under section 559.202"

Page 2, line 5, delete "any calendar year"

Page 2, line 28, delete the comma

Page 2, line 31, after the semicolon, insert "and"

Page 2, delete lines 32 and 33

Page 2, line 34, delete "(3)" and insert "(2)"

Page 3, line 3, delete "if the multiple seller cannot produce a copy of the notice signed and" and insert "unless the original executed contract for deed contains the following statement: "By initialing here ..... purchaser acknowledges receipt at least five business days before signing this contract for deed of the disclosure statement entitled "Important Information About Contracts for Deed" required by Minnesota Statutes, section 559.202, subdivision 3.""

Page 3, line 4, delete "dated by the purchaser."

Page 4, line 9, delete "You can cancel it and get your money back if you didn't get this notice five business" and insert "If you haven't already signed the contract for deed, you can cancel the purchase agreement (and get all your money back) if you do so within five business days after getting this notice."

Page 4, delete line 10

Page 4, line 27, delete "The amount due to the purchaser may," and delete the comma and after "option" insert "an amount not to exceed \$2,500 may"

Page 4, line 33, delete "treble" and insert "triple" and delete "and" and insert "or"

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

The report was adopted.

Lesch from the Committee on Civil Law 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 27, delete "deemed by the commissioner as" and insert "reasonably"

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.

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

H. F. No. 592, A bill for an act relating to education finance; authorizing the Perpich Center for Arts Education to operate a voluntary integration magnet school; transferring staff and facilities; modifying funding formulas; appropriating money; amending Minnesota Statutes 2012, section 129C.10, subdivision 3, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 129C.

Reported the same back with the following amendments:

Page 5, delete subdivision 2 and insert:

"Subd. 2. **Staff transferred; contracts to remain separate.** On or before April 10, 2013, the Perpich Center for Arts Education must notify all licensed and unlicensed employees of the East Metro Integration District assigned to the Crosswinds school as of February 1, 2013, except administrative employees, of open positions for the 2013-2014 school year. Employees shall notify the Perpich Center for Arts Education within 30 days if they request appointment to a position. All requests must be granted. The commissioner of management and budget shall assign these employees to the appropriate job classes in the state civil service. Terms and conditions of employment for the transferred employees on and after August 1, 2013, shall be determined by the collective bargaining agreement or compensation plan applicable to each job class, provided that:

(1) a person who becomes a state employee under this section will have seniority with the state as of the date the person became an employee of the East Metro Integration District;

(2) if a person took a leave of absence from another school district to become an employee of the East Metro Integration District, the person will have seniority with the state as of the date the person first became an employee of the school district from which the employee took the leave of absence;

(3) a separate seniority list shall be maintained for the Crosswinds site of the Perpich Center for Arts Education from the seniority list for the Golden Valley site;

(4) the staff member shall receive the greater of:

(i) credit on the appointing salary schedule for the Perpich Center for Arts Education for the staff member's years of continuous service under contract with the East Metro Integration District and any member district, if applicable, and for the staff member's educational attainment at the time of appointment; or

(ii) the salary that the staff member received in the East Metro Integration District;

(5) all staff appointed to the Crosswinds site of the Perpich Center for Arts Education under this subdivision shall be deemed to have completed any applicable probationary period; and

(6) all staff appointed to the Crosswinds site of the Perpich Center for Arts Education under this subdivision shall receive credit for accumulations of sick leave, vacation, paid time off, rights to severance benefits, and any other benefits, as if the staff member had been employed by the Perpich Center for Arts Education during the staff member's years of employment by the East Metro Integration District."

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

The report was adopted.

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

H. F. No. 622, A bill for an act relating to youth; establishing the Minnesota Youth Council Committee; proposing coding for new law as Minnesota Statutes, chapter 16F.

Reported the same back with the recommendation that 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. 646, A bill for an act relating to public safety; drivers' licenses; driver education; modifying and clarifying provisions relating to instruction permits; establishing a Novice Driver Education Improvement Task Force; authorizing rulemaking; appropriating money; amending Minnesota Statutes 2012, sections 171.05, subdivision 2, by adding a subdivision; 171.0701, by adding a subdivision.

Reported the same back with the following amendments:

Page 2, line 26, delete everything after the period

Page 2, delete lines 27 and 28

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

The report was adopted.

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

H. F. No. 653, A bill for an act relating to open meeting law; providing that certain communications on social media are not meetings under the law; amending Minnesota Statutes 2012, section 13D.01, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2012, section 13D.01, subdivision 2, is amended to read:

Subd. 2. **Exceptions.** This chapter does not apply:

- (1) to meetings of the commissioner of corrections;
- (2) to a state agency, board, or commission when it is exercising quasi-judicial functions involving disciplinary proceedings; ~~or~~
- (3) to participation in social media forums by members of a public body otherwise subject to this chapter, so long as:

(i) the social media forums are open to public participation;

(ii) the social media forums have been first identified by the public body at a public meeting and a list of the identified social media forums is kept on file at the primary offices of the public body;

(iii) participation is limited to discussion only and no decision or vote is made or taken;

(iv) the use of social media forums is not the sole means of deliberation by the public body; and

(v) participation does not take the place of any required public meeting or hearing. "Social media" means forms of Web-based and mobile technologies for communication, such as Web sites for social networking and microblogging, through which users participate in online communities to share information, ideas, messages, and other content; or

(4) as otherwise expressly provided by statute."

With the recommendation that when so amended the bill pass.

The report was adopted.

Hortman from the Committee on Energy Policy to which was referred:

H. F. No. 655, A bill for an act relating to energy; regulating the routing process for high-voltage transmission lines; prohibiting the designation of a preferred route in the permitting process; amending Minnesota Statutes 2012, section 216E.03, subdivision 3.

Reported the same back with the following amendments:

Page 1, after line 18, insert:

"Sec. 2. Minnesota Statutes 2012, section 216E.12, subdivision 4, is amended to read:

Subd. 4. **Contiguous land.** (a) When private real property that is an agricultural or nonagricultural homestead, nonhomestead agricultural land, rental residential property, and both commercial and noncommercial seasonal residential recreational property, as those terms are defined in section 273.13 is proposed to be acquired for the construction of a site or route for a high-voltage transmission line with a capacity of 200 kilovolts or more by eminent domain proceedings, the fee owner, or when applicable, the fee owner with the written consent of the contract for deed vendee, or the contract for deed vendee with the written consent of the fee owner, shall have the option to require the utility to condemn a fee interest in any amount of contiguous, commercially viable land which the owner or vendee wholly owns or has contracted to own in undivided fee and elects in writing to transfer to the utility within 60 days after receipt of the notice of the objects of the petition filed pursuant to section 117.055. Commercial viability shall be determined without regard to the presence of the utility route or site. Within 60 days after receipt by the utility of a fee owner's election to exercise this option, the utility shall provide written notice to the fee owner of any objection the utility has to the fee owner's election. If no objection is made within that time, any objection shall be deemed waived. Within 90 days of the service of an objection by the utility, the district court having jurisdiction over the eminent domain proceeding shall hold a hearing to determine whether the utility's objection is upheld or rejected. The owner or, when applicable, the contract vendee shall have only one such option and may not expand or otherwise modify an election without the consent of the utility. The required acquisition of land pursuant to this subdivision shall be considered an acquisition for a public purpose and for use in the utility's

business, for purposes of chapter 117 and section 500.24, respectively; provided that a utility shall divest itself completely of all such lands used for farming or capable of being used for farming not later than the time it can receive the market value paid at the time of acquisition of lands less any diminution in value by reason of the presence of the utility route or site. Upon the owner's election made under this subdivision, the easement interest over and adjacent to the lands designated by the owner to be acquired in fee, sought in the condemnation petition for a right-of-way for a high-voltage transmission line with a capacity of 200 kilovolts or more shall automatically be converted into a fee taking. The owner's election made under this subdivision does not render the fee taking voluntary.

(b) All rights and protections provided to an owner under chapter 117, including in particular sections 117.031, 117.036, 117.186, and 117.52, apply to acquisition of land or an interest in land under this section.

(c) Within 90 days of an owner's election under this subdivision to require the utility to acquire land, or 90 days after a district court decision overruling a utility objection to an election made pursuant to paragraph (a), the utility must make a written offer to acquire that land and amend its condemnation petition to include the additional land.

(d) For purposes of this subdivision, "owner" means the fee owner, or when applicable, the fee owner with the written consent of the contract for deed vendee, or the contract for deed vendee with the written consent of the fee owner.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to eminent domain proceedings or actions pending or commenced on or after that date. "Commenced" means when service of notice of the petition under Minnesota Statutes, section 117.055, is made."

Amend the title as follows:

Page 1, line 3, after the second semicolon, insert "modifying condemnation procedures;"

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

The report was adopted.

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

H. F. No. 695, A bill for an act relating to data practices; extending the classification of private data maintained by a library to a vendor providing electronic data services under contract with a library; amending Minnesota Statutes 2012, section 13.40, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[13.356] PERSONAL CONTACT AND ONLINE ACCOUNT INFORMATION.**

Except where disclosure is specifically authorized by law, and notwithstanding section 13.04, subdivision 2, the following data on an individual collected, maintained, or received by a government entity for notification or informational purposes of a general nature as requested by the individual are private data on individuals:

(1) telephone number;



(2) e-mail address; and

(3) Internet user name, password, Internet protocol address, and any other similar data related to the individual's online account or access procedures.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to data collected, maintained, or received before, on, or after that date.

Sec. 2. Minnesota Statutes 2012, section 13.37, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** As used in this section, the following terms have the meanings given them.

(a) "Security information" means government data the disclosure of which the responsible authority determines would be likely to substantially jeopardize the security of information, possessions, individuals or property against theft, tampering, improper use, attempted escape, illegal disclosure, trespass, or physical injury. "Security information" includes crime prevention block maps and lists of volunteers who participate in community crime prevention programs and their home and mailing addresses ~~and~~, telephone numbers, e-mail addresses, Internet communication services accounts information or similar accounts information, and global positioning system locations.

(b) "Trade secret information" means government data, including a formula, pattern, compilation, program, device, method, technique or process (1) that was supplied by the affected individual or organization, (2) that is the subject of efforts by the individual or organization that are reasonable under the circumstances to maintain its secrecy, and (3) that derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use.

(c) "Labor relations information" means management positions on economic and noneconomic items that have not been presented during the collective bargaining process or interest arbitration, including information specifically collected or created to prepare the management position.

(d) "Parking space leasing data" means the following government data on an applicant for, or lessee of, a parking space: residence address, home telephone number, beginning and ending work hours, place of employment, work telephone number, and location of the parking space.

Sec. 3. Minnesota Statutes 2012, section 13.386, subdivision 3, is amended to read:

Subd. 3. **Collection, storage, use, and dissemination of genetic information.** (a) Unless otherwise expressly provided by law, genetic information about an individual:

(1) may be collected by a government entity, as defined in section 13.02, subdivision 7a, or any other person only with the written informed consent of the individual;

(2) may be used only for purposes to which the individual has given written informed consent;

(3) may be stored only for a period of time to which the individual has given written informed consent; and

(4) may be disseminated only:

(i) with the individual's written informed consent; or

(ii) if necessary in order to accomplish purposes described by clause (2). A consent to disseminate genetic information under item (i) must be signed and dated. Unless otherwise provided by law, such a consent is valid for one year or for a lesser period specified in the consent.

(b) Newborn screening activities conducted under sections 144.125 to 144.128 are subject to paragraph (a). Other programs and activities governed under section 144.192 are not subject to paragraph (a).

**EFFECTIVE DATE.** This section is effective July 1, 2013.

Sec. 4. Minnesota Statutes 2012, section 13.43, subdivision 2, is amended to read:

Subd. 2. **Public data.** (a) Except for employees described in subdivision 5 and subject to the limitations described in subdivision 5a, the following personnel data on current and former employees, volunteers, and independent contractors of a government entity is public:

(1) name; employee identification number, which must not be the employee's Social Security number; actual gross salary; salary range; terms and conditions of employment relationship; contract fees; actual gross pension; the value and nature of employer paid fringe benefits; and the basis for and the amount of any added remuneration, including expense reimbursement, in addition to salary;

(2) job title and bargaining unit; job description; education and training background; and previous work experience;

(3) date of first and last employment;

(4) the existence and status of any complaints or charges against the employee, regardless of whether the complaint or charge resulted in a disciplinary action;

(5) the final disposition of any disciplinary action together with the specific reasons for the action and data documenting the basis of the action, excluding data that would identify confidential sources who are employees of the public body;

(6) the complete terms of any agreement settling any dispute arising out of an employment relationship, including a buyout agreement as defined in section 123B.143, subdivision 2, paragraph (a); except that the agreement must include specific reasons for the agreement if it involves the payment of more than \$10,000 of public money;

(7) work location; a work telephone number; badge number; work-related continuing education; and honors and awards received; and

(8) payroll time sheets or other comparable data that are only used to account for employee's work time for payroll purposes, except to the extent that release of time sheet data would reveal the employee's reasons for the use of sick or other medical leave or other not public data.

(b) For purposes of this subdivision, a final disposition occurs when the government entity makes its final decision about the disciplinary action, regardless of the possibility of any later proceedings or court proceedings. Final disposition includes a resignation by an individual when the resignation occurs after the final decision of the government entity, or arbitrator. In the case of arbitration proceedings arising under collective bargaining agreements, a final disposition occurs at the conclusion of the arbitration proceedings, or upon the failure of the employee to elect arbitration within the time provided by the collective bargaining agreement. A disciplinary action does not become public data if an arbitrator sustains a grievance and reverses all aspects of any disciplinary action.

(c) The government entity may display a photograph of a current or former employee to a prospective witness as part of the government entity's investigation of any complaint or charge against the employee.

(d) A complainant has access to a statement provided by the complainant to a government entity in connection with a complaint or charge against an employee.

(e) Notwithstanding paragraph (a), clause (5), and subject to paragraph (f), upon completion of an investigation of a complaint or charge against a public official, or if a public official resigns or is terminated from employment while the complaint or charge is pending, all data relating to the complaint or charge are public, unless access to the data would jeopardize an active investigation or reveal confidential sources. For purposes of this paragraph, "public official" means:

(1) the head of a state agency and deputy and assistant state agency heads;

(2) members of boards or commissions required by law to be appointed by the governor or other elective officers;

(3) executive or administrative heads of departments, bureaus, divisions, or institutions within state government; and

(4) the following employees:

(i) the chief administrative officer, or the individual acting in an equivalent position, in all political subdivisions;

(ii) individuals required to be identified by a political subdivision pursuant to section 471.701;

(iii) ~~in a city with a population of more than 7,500 or a county with a population of more than 5,000, individuals in a management capacity reporting directly to the chief administrative officer or the individual acting in an equivalent position;~~ managers; chiefs; heads or directors of departments, divisions, bureaus, or boards; and any equivalent position; and

(iv) in a school district, ~~business managers; human resource directors; and athletic directors;~~ chief financial officers; directors; individuals defined as superintendents, and principals, ~~and directors~~ under Minnesota Rules, part 3512.0100; and in a charter school, individuals employed in comparable positions.

(f) Data relating to a complaint or charge against an employee identified under paragraph (e), clause (4), are public only if:

(1) the complaint or charge results in disciplinary action or the employee resigns or is terminated from employment while the complaint or charge is pending; or

(2) potential legal claims arising out of the conduct that is the subject of the complaint or charge are released as part of a settlement agreement ~~with another person.~~

This paragraph and paragraph (e) do not authorize the release of data that are made not public under other law.

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

Sec. 5. Minnesota Statutes 2012, section 13.64, subdivision 2, is amended to read:

Subd. 2. **Department of Administration.** (a) Security features of building plans, building specifications, and building drawings of state-owned facilities and non-state-owned facilities leased by the state are classified as nonpublic data when maintained by the Department of Administration and may be shared with anyone as needed to perform duties of the commissioner.

(b) Data maintained by the Department of Administration that identifies an individual with a disability or a family member of an individual with a disability related to services funded by the federal Assistive Technology Act, United States Code, title 29, section 3002, for assistive technology device demonstrations, transition training, loans, reuse, or alternative financing are private data.

Sec. 6. Minnesota Statutes 2012, section 13.72, subdivision 10, is amended to read:

Subd. 10. **Transportation service data.** Personal, medical, financial, familial, or locational information data pertaining to applicants for or users of services providing transportation for the disabled or elderly, ~~with the exception of the name of the applicant or user of the service,~~ are private.

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

Sec. 7. Minnesota Statutes 2012, section 13.72, is amended by adding a subdivision to read:

Subd. 18. **Mileage-based user fees.** (a) The following data pertaining to participation in the Minnesota road use test, as required by Laws 2007, chapter 143, article 1, section 3, subdivision 3, paragraph (a), clause (1), are classified as nonpublic or private data:

(1) names of participants, participants' contact information, and data contained in applications for participation in the Minnesota road use test;

(2) applications for the purchase, lease, or rental of the GPS navigation device;

(3) participants' vehicle identification data;

(4) financial and credit data; and

(5) participants' road usage data.

(b) Nothing in this section prohibits the production of summary data, as defined in section 13.02, subdivision 19, as it pertains to types of vehicles used and road usage data, as long as the participants' identities or any other characteristic that could uniquely identify participants are not ascertainable.

(c) Notwithstanding section 13.03, subdivision 6, the Department of Transportation shall only produce the data made not public under this subdivision to federal, state, and local law enforcement authorities acting pursuant to a valid probable cause search warrant.

Sec. 8. Minnesota Statutes 2012, section 13.72, is amended by adding a subdivision to read:

Subd. 19. **Construction manager/general contractor data.** (a) When the Department of Transportation undertakes a construction manager/general contractor contract, as defined and authorized in sections 161.3207 to 161.3209, the provisions of this subdivision apply.

(b) When the commissioner of transportation solicits a request for qualifications:

(1) the following data are classified as protected nonpublic:

(i) the statement of qualifications scoring evaluation manual; and

(ii) the statement of qualifications evaluations;

(2) the statement of qualifications submitted by a potential construction manager/general contractor is classified as nonpublic data; and

(3) identifying information concerning the members of the Technical Review Committee is classified as private data.

(c) When the commissioner of transportation announces the short list of qualified construction managers/general contractors, the following data become public:

(1) the statement of qualifications scoring evaluation manual; and

(2) the statement of qualifications evaluations.

(d) When the commissioner of transportation solicits a request for proposals:

(1) the proposal scoring manual is classified as protected nonpublic data; and

(2) the following data are classified as nonpublic data:

(i) the proposals submitted by a potential construction manager/general contractor; and

(ii) the proposal evaluations.

(e) When the commissioner of transportation has completed the ranking of proposals and announces the selected construction manager/general contractor, the proposal evaluation score or rank and proposal evaluations become public data.

(f) When the commissioner of transportation conducts contract negotiations with a construction manager/general contractor, government data created, collected, stored, and maintained during those negotiations are nonpublic data until a construction manager/general contractor contract is fully executed.

(g) When the construction manager/general contractor contract is fully executed or when the commissioner of transportation decides to use another contract procurement process, other than the construction manager/general contractor authority, authorized under section 161.3209, subdivision 3, paragraph (b), all remaining data not already made public under this subdivision become public.

(h) If the commissioner of transportation rejects all responses to a request for proposals before a construction manager/general contractor contract is fully executed, all data, other than that data made public under this subdivision, retains its classification until a resolicitation of the request for proposals results in a fully executed construction manager/general contractor contract or a determination is made to abandon the project. If a resolicitation of proposals does not occur within one year of the announcement of the request for proposals, the remaining data become public.

Sec. 9. Minnesota Statutes 2012, section 13.72, is amended by adding a subdivision to read:

**Subd. 20. Transit customer data.** (a) Data on applicants, users, and customers of public transit collected by or through the Metropolitan Council's personalized Web services or the regional fare collection system are private data on individuals. As used in this subdivision, the following terms have the meanings given them:

(1) "regional fare collection system" means the fare collection system created and administered by the council that is used for collecting fares or providing fare cards or passes for transit services, which include:

(i) regular route bus service within the metropolitan area and paratransit service, whether provided by the council or by other providers of regional transit service;

(ii) light rail transit service within the metropolitan area;

(iii) rideshare programs administered by the council;

(iv) special transportation services provided under section 473.386; and

(v) commuter rail service;

(2) "personalized Web services" means services for which transit service applicants, users, and customers must establish a user account; and

(3) "metropolitan area" means the area defined in section 473.121, subdivision 2.

(b) The Metropolitan Council may disseminate data on user and customer transaction history and fare card use to government entities, organizations, school districts, educational institutions, and employers that subsidize or provide fare cards to their clients, students, or employees. "Data on user and customer transaction history and fare card use" includes only:

(1) the date a fare card was used;

(2) the time a fare card was used;

(3) the mode of travel;

(4) the type of fare product used; and

(5) information about the date, time, and type of fare product purchased.

Government entities, organizations, school districts, educational institutions, and employers may use customer transaction history and fare card use data only for the purposes of measuring and promoting fare card use and for evaluating the cost effectiveness of their fare card programs. If a user or customer requests in writing that the council limit the disclosure of transaction history and fare card use, the council may disclose only the card balance and the date a card was last used.

(c) The Metropolitan Council may disseminate transit service applicant, user, and customer data:

(1) to another government entity to prevent unlawful intrusion into government electronic systems;

(2) to its Metropolitan Transit Police and other law enforcement agencies conducting investigations; or

(3) as otherwise provided by law.

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

**Sec. 10. [144.192] TREATMENT OF BIOLOGICAL SPECIMENS AND HEALTH DATA HELD BY THE DEPARTMENT OF HEALTH AND HEALTH BOARDS.**

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

(b) "Biological specimen" means tissue, fluids, excretions, or secretions that contain human DNA originating from an identifiable individual, either living or deceased. Biological specimen does not include infectious agents or chemicals that are isolated from a specimen. Nothing in this section or section 13.386 is intended to limit the commissioner's ability to collect, use, store, or disseminate such isolated infectious agents or chemicals.

(c) "Health data" has the meaning given in section 13.3805, subdivision 1, paragraph (a), clause (2).

(d) "Health oversight" means oversight of the health care system for activities authorized by law, limited to the following:

(1) audits;

(2) civil, administrative, or criminal investigations;

(3) inspections;

(4) licensure or disciplinary actions;

(5) civil, administrative, or criminal proceedings or actions; and

(6) other activities necessary for appropriate oversight of the health care system and persons subject to such governmental regulatory programs for which biological specimens or health data are necessary for determining compliance with program standards.

(e) "Individual" has the meaning given in section 13.02, subdivision 8. In addition, for a deceased individual, individual also means the representative of the decedent.

(f) "Person" has the meaning given in section 13.02, subdivision 10.

(g) "Program operations" means actions, testing, and procedures directly related to the operation of department programs, limited to the following:

(1) diagnostic and confirmatory testing;

(2) laboratory quality control assurance and improvement;

(3) calibration of equipment;

(4) evaluation and improvement of test accuracy;

(5) method development and validation;

(6) compliance with regulatory requirements; and

(7) continuity of operations to ensure that testing continues in the event of an emergency.

(h) "Public health practice" means actions related to disease, conditions, injuries, risk factors, or exposures taken to protect public health, limited to the following:

(1) monitoring the health status of a population;

(2) investigating occurrences and outbreaks;

(3) comparing patterns and trends;

(4) implementing prevention and control measures;

(5) conducting program evaluations and making program improvements;

(6) making recommendations concerning health for a population;

(7) preventing or controlling known or suspected diseases and injuries; and

(8) conducting other activities necessary to protect or improve the health of individuals and populations for which biological specimens or health data are necessary.

(i) "Representative of the decedent" has the meaning given in section 13.10, subdivision 1, paragraph (c).

(j) "Research" means activities that are not program operations, public health practice, or health oversight, and is otherwise defined in Code of Federal Regulations, title 45, part 46, subpart A, section 46.102(d).

**Subd. 2. Collection, use, storage, and dissemination.** (a) The commissioner may collect, use, store, and disseminate biological specimens and health data, genetic or other, as provided in this section and as authorized under any other provision of applicable law, including any rules adopted on or before June 30, 2013. Any rules adopted after June 30, 2013, must be consistent with the requirements of this section.

(b) The provisions in this section supplement other provisions of law and do not supersede or repeal other provisions of law applying to the collection, use, storage, or dissemination of biological specimens or health data.

(c) For purposes of this section, genetic information is limited to biological specimens and health data.

**Subd. 3. Biological specimens and health data for program operations, public health practice, and health oversight.** (a) The commissioner may collect, use, store, and disseminate biological specimens and health data to conduct program operations activities, public health practice activities, and health oversight activities. Unless required under other applicable law, consent of an individual is not required under this subdivision.

(b) With the approval of the commissioner, biological specimens may be disseminated to establish a diagnosis, to provide treatment, to identify persons at risk of illness, to conduct an epidemiologic investigation to control or prevent the spread of serious disease, or to diminish an imminent threat to the public health.

(c) For purposes of Clinical Laboratory Improvement Amendments proficiency testing, the commissioner may disseminate de-identified biological specimens to state public health laboratories that agree, pursuant to contract, not to attempt to re-identify the biological specimens.

(d) Health data may be disseminated as provided in section 13.3805, subdivision 1, paragraph (b).

**Subd. 4. Research.** The commissioner may collect, use, store, and disseminate biological specimens and health data to conduct research in a manner that is consistent with the federal common rule for the protection of human subjects in Code of Federal Regulations, title 45, part 46.

**Subd. 5. Storage of biological specimens and health data according to storage schedules.** (a) The commissioner shall store health data according to section 138.17.



(b) The commissioner shall store biological specimens according to a specimen storage schedule. The commissioner shall develop the storage schedule by July 1, 2013, and post it on the department's Web site.

Subd. 6. **Secure storage of biological specimens.** The commissioner shall establish appropriate security safeguards for the storage of biological specimens, with regard for the privacy of the individuals from whom the biological specimens originated, and store the biological specimens accordingly. When a biological specimen is disposed of, it must be destroyed in a way that prevents determining the identity of the individual from whom it originated.

Subd. 7. **Applicability to health boards.** The provisions of subdivisions 2; 3, paragraphs (a), (c), and (d); and 4 to 6 pertaining to the commissioner also apply to boards of health and community health boards organized under chapter 145A. These boards may also disseminate health data pursuant to section 13.3805, subdivision 1, paragraph (b), clause (2).

**EFFECTIVE DATE.** This section is effective July 1, 2013.

Sec. 11. Minnesota Statutes 2012, section 144.966, subdivision 2, is amended to read:

Subd. 2. **Newborn Hearing Screening Advisory Committee.** (a) The commissioner of health shall establish a Newborn Hearing Screening Advisory Committee to advise and assist the Department of Health and the Department of Education in:

(1) developing protocols and timelines for screening, rescreening, and diagnostic audiological assessment and early medical, audiological, and educational intervention services for children who are deaf or hard-of-hearing;

(2) designing protocols for tracking children from birth through age three that may have passed newborn screening but are at risk for delayed or late onset of permanent hearing loss;

(3) designing a technical assistance program to support facilities implementing the screening program and facilities conducting rescreening and diagnostic audiological assessment;

(4) designing implementation and evaluation of a system of follow-up and tracking; and

(5) evaluating program outcomes to increase effectiveness and efficiency and ensure culturally appropriate services for children with a confirmed hearing loss and their families.

(b) The commissioner of health shall appoint at least one member from each of the following groups with no less than two of the members being deaf or hard-of-hearing:

(1) a representative from a consumer organization representing culturally deaf persons;

(2) a parent with a child with hearing loss representing a parent organization;

(3) a consumer from an organization representing oral communication options;

(4) a consumer from an organization representing cued speech communication options;

(5) an audiologist who has experience in evaluation and intervention of infants and young children;

(6) a speech-language pathologist who has experience in evaluation and intervention of infants and young children;

(7) two primary care providers who have experience in the care of infants and young children, one of which shall be a pediatrician;

(8) a representative from the early hearing detection intervention teams;

(9) a representative from the Department of Education resource center for the deaf and hard-of-hearing or the representative's designee;

(10) a representative of the Commission of Deaf, DeafBlind and Hard-of-Hearing Minnesotans;

(11) a representative from the Department of Human Services Deaf and Hard-of-Hearing Services Division;

(12) one or more of the Part C coordinators from the Department of Education, the Department of Health, or the Department of Human Services or the department's designees;

(13) the Department of Health early hearing detection and intervention coordinators;

(14) two birth hospital representatives from one rural and one urban hospital;

(15) a pediatric geneticist;

(16) an otolaryngologist;

(17) a representative from the Newborn Screening Advisory Committee under this subdivision; and

(18) a representative of the Department of Education regional low-incidence facilitators.

The commissioner must complete the appointments required under this subdivision by September 1, 2007.

(c) The Department of Health member shall chair the first meeting of the committee. At the first meeting, the committee shall elect a chair from its membership. The committee shall meet at the call of the chair, at least four times a year. The committee shall adopt written bylaws to govern its activities. The Department of Health shall provide technical and administrative support services as required by the committee. These services shall include technical support from individuals qualified to administer infant hearing screening, rescreening, and diagnostic audiological assessments.

Members of the committee shall receive no compensation for their service, but shall be reimbursed as provided in section 15.059 for expenses incurred as a result of their duties as members of the committee.

(d) This subdivision expires June 30, ~~2013~~ 2019.

Sec. 12. Minnesota Statutes 2012, section 144.966, subdivision 3, is amended to read:

Subd. 3. **Early hearing detection and intervention programs.** All hospitals shall establish an early hearing detection and intervention (EHDI) program. Each EHDI program shall:

(1) in advance of any hearing screening testing, provide to the newborn's or infant's parents or parent information concerning the nature of the screening procedure, applicable costs of the screening procedure, the potential risks and effects of hearing loss, and the benefits of early detection and intervention;

(2) comply with parental consent under section 144.125, subdivision ~~3~~ 4;

(3) develop policies and procedures for screening and rescreening based on Department of Health recommendations;

(4) provide appropriate training and monitoring of individuals responsible for performing hearing screening tests as recommended by the Department of Health;

(5) test the newborn's hearing prior to discharge, or, if the newborn is expected to remain in the hospital for a prolonged period, testing shall be performed prior to three months of age or when medically feasible;

(6) develop and implement procedures for documenting the results of all hearing screening tests;

(7) inform the newborn's or infant's parents or parent, primary care physician, and the Department of Health according to recommendations of the Department of Health of the results of the hearing screening test or rescreening if conducted, or if the newborn or infant was not successfully tested. The hospital that discharges the newborn or infant to home is responsible for the screening; and

(8) collect performance data specified by the Department of Health.

**EFFECTIVE DATE.** This section is effective July 1, 2013.

Sec. 13. Minnesota Statutes 2012, section 144.966, is amended by adding a subdivision to read:

Subd. 8. **Construction.** Notwithstanding anything to the contrary, nothing in this section shall be construed as constituting newborn screening activities conducted under sections 144.125 to 144.128.

**EFFECTIVE DATE.** This section is effective July 1, 2013.

Sec. 14. Minnesota Statutes 2012, section 144.966, is amended by adding a subdivision to read:

Subd. 9. **Data collected.** Data collected by or submitted to the Department of Health pursuant to this section are not subject to section 144.125, subdivisions 6 to 9.

Sec. 15. Minnesota Statutes 2012, section 171.07, subdivision 1a, is amended to read:

Subd. 1a. **Filing photograph or image; data classification.** The department shall file, or contract to file, all photographs or electronically produced images obtained in the process of issuing drivers' licenses or Minnesota identification cards. The photographs or electronically produced images shall be private data pursuant to section 13.02, subdivision 12. Notwithstanding section 13.04, subdivision 3, the department shall not be required to provide copies of photographs or electronically produced images to data subjects. The use of the files is restricted:

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

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

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

(4) to child support enforcement purposes under section 256.978-; and

(5) to a county medical examiner or coroner as required by section 390.005 as necessary to fulfill the duties under sections 390.11 and 390.25.

Sec. 16. 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) 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;
- (10) 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;
- (11) 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;
- (12) 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;
- (13) the Department of Health for the purposes of epidemiologic investigations;
- (14) the Department of Corrections for the purpose of case planning for preprobation and postprobation employment tracking of offenders sentenced to probation and preconfinement and postconfinement employment tracking of committed offenders ~~for the purpose of case planning~~; and

(15) 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.

Sec. 17. Minnesota Statutes 2012, section 299C.11, subdivision 1, is amended to read:

Subdivision 1. **Identification data other than DNA.** (a) Each sheriff and chief of police shall furnish the bureau, upon such form as the superintendent shall prescribe, with such finger and thumb prints, photographs, distinctive physical mark identification data, information on known aliases and street names, and other identification data as may be requested or required by the superintendent of the bureau, which must be taken under the provisions of section 299C.10. In addition, sheriffs and chiefs of police shall furnish this identification data to the bureau for individuals found to have been convicted of a felony, gross misdemeanor, or targeted misdemeanor, within the ten years immediately preceding their arrest. When the bureau learns that an individual who is the subject of a background check has used, or is using, identifying information, including, but not limited to, name and date of birth, other than those listed on the criminal history, the bureau may add the new identifying information to the criminal history when supported by fingerprints.

(b) No petition under chapter 609A is required if the person has not been convicted of any felony or gross misdemeanor, either within or without the state, within the period of ten years immediately preceding the determination of all pending criminal actions or proceedings in favor of the arrested person, and either of the following occurred:

- (1) all charges were dismissed prior to a determination of probable cause; or
- (2) the prosecuting authority declined to file any charges and a grand jury did not return an indictment.

Where these conditions are met, the bureau or agency shall, upon demand, ~~return to~~ destroy the arrested ~~person~~ person's finger and thumb prints, photographs, distinctive physical mark identification data, information on known aliases and street names, and other identification data, and all copies and duplicates of them.

(c) Except as otherwise provided in paragraph (b), upon the determination of all pending criminal actions or proceedings in favor of the arrested person, and the granting of the petition of the arrested person under chapter 609A, the bureau shall seal finger and thumb prints, photographs, distinctive physical mark identification data, information on known aliases and street names, and other identification data, and all copies and duplicates of them if the arrested person has not been convicted of any felony or gross misdemeanor, either within or without the state, within the period of ten years immediately preceding such determination.

Sec. 18. Minnesota Statutes 2012, section 299C.46, subdivision 1, is amended to read:

Subdivision 1. **Establishment; interconnection.** The commissioner of public safety shall establish a criminal justice data communications network ~~which that~~ which will ~~enable the interconnection of the criminal justice agencies within the state~~ provide secure access to systems and services available from or through the Bureau of Criminal Apprehension. The commissioner of public safety is authorized to lease or purchase facilities and equipment as may be necessary to establish and maintain the data communications network.

Sec. 19. Minnesota Statutes 2012, section 299C.46, subdivision 2, is amended to read:

Subd. 2. **Criminal justice agency defined.** For the purposes of sections 299C.46 to 299C.49, "criminal justice agency" means an agency of the state or ~~an agency of a political subdivision~~ or the federal government charged with detection, enforcement, prosecution, adjudication or incarceration in respect to the criminal or traffic laws of this state. This definition also includes all sites identified and licensed as a detention facility by the commissioner of corrections under section 241.021 and those federal agencies that serve part or all of the state from an office located outside the state.

Sec. 20. Minnesota Statutes 2012, section 299C.46, subdivision 2a, is amended to read:

Subd. 2a. **Noncriminal justice agency defined.** For the purposes of sections 299C.46 to 299C.49, "noncriminal justice agency" means an agency of ~~a the~~ state or ~~an agency of a~~ political subdivision of ~~a the~~ state charged with the responsibility of performing checks of state databases connected to the criminal justice data communications network.

Sec. 21. Minnesota Statutes 2012, section 299C.46, subdivision 3, is amended to read:

Subd. 3. **Authorized use, fee.** (a) The criminal justice data communications network shall be used exclusively by:

(1) criminal justice agencies in connection with the performance of duties required by law;

(2) agencies investigating federal security clearances of individuals for assignment or retention in federal employment with duties related to national security, as required by ~~Public Law 99-169~~ United States Code, title 5, section 9101;

(3) other agencies to the extent necessary to provide for protection of the public or property in ~~an~~ a declared emergency or disaster situation;

(4) noncriminal justice agencies statutorily mandated, by state or national law, to conduct checks into state databases prior to disbursing licenses or providing benefits;

(5) the public authority responsible for child support enforcement in connection with the performance of its duties;

(6) the public defender, as provided in section 611.272; ~~and~~

(7) a county attorney or the attorney general, as the county attorney's designee, for the purpose of determining whether a petition for the civil commitment of a proposed patient as a sexual psychopathic personality or as a sexually dangerous person should be filed, and during the pendency of the commitment proceedings;:

(8) an agency of the state or a political subdivision whose access to systems or services provided from or through the Bureau of Criminal Apprehension is specifically authorized by federal law or regulation or state statute; and

(9) a court for access to data as authorized by federal law or regulation or state statute and related to the disposition of a pending case.

(b) The commissioner of public safety shall establish a monthly network access charge to be paid by each participating criminal justice agency. The network access charge shall be a standard fee established for each terminal, computer, or other equipment directly addressable by the data communications network, as follows: January 1, 1984 to December 31, 1984, \$40 connect fee per month; January 1, 1985 and thereafter, \$50 connect fee per month.

(c) The commissioner of public safety is authorized to arrange for the connection of the data communications network with the criminal justice information system of the federal government, any adjacent state, or Canada country for the secure exchange of information for any of the purposes authorized in paragraph (a), clauses (1), (2), (3), (8), and (9).

(d) Prior to establishing a secure connection, a criminal justice agency must:

(1) agree to comply with all applicable policies governing access to, submission of, or use of the data;

(2) meet the Bureau of Criminal Apprehension's security requirements;

(3) agree to pay any required fees; and

(4) conduct fingerprint-based state and national background checks on its employees and contractors as required by the Federal Bureau of Investigation.

(e) Prior to establishing a secure connection, a noncriminal justice agency must:

(1) agree to comply with all applicable policies governing access to, submission of, or use of the data;

(2) meet the Bureau of Criminal Apprehension's security requirements;

(3) agree to pay any required fees; and

(4) conduct fingerprint-based state and national background checks on its employees and contractors.

(f) Those noncriminal justice agencies that do not have a secure network connection yet receive data either retrieved over the secure network by an authorized criminal justice agency or as a result of a state or federal criminal history records check shall conduct a background check as provided in paragraph (g) of those individuals who receive and review the data to determine another individual's eligibility for employment, housing, a license, or another legal right dependent on a statutorily-mandated background check.

(g) The background check required by paragraph (e) or (f) is accomplished by submitting a request to the superintendent of the Bureau of Criminal Apprehension that includes a signed, written consent for the Minnesota and national criminal history records check, fingerprints, and the required fee. The superintendent may exchange the fingerprints with the Federal Bureau of Investigation for purposes of obtaining the individual's national criminal history record information.

The superintendent shall return the results of the national criminal history records check to the noncriminal justice agency to determine if the individual is qualified to have access to state and federal criminal history record information or the secure network. An individual is disqualified when the state and federal criminal history record information shows any of the disqualifiers that the individual will apply to the records of others.

When the individual is to have access to the secure network, the noncriminal justice agency will review the criminal history of each employee or contractor with the Criminal Justice Information Services systems officer at the Bureau of Criminal Apprehension, or the officer's designee, to determine if the employee or contractor qualifies for access to the secure network. The Criminal Justice Information Services systems officer or the designee will make the access determination based on Federal Bureau of Investigation policy and Bureau of Criminal Apprehension policy.

Sec. 22. **[299C.72] MINNESOTA CRIMINAL HISTORY CHECKS.**

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

(a) "Applicant for employment" means an individual who seeks either county or city employment or has applied to serve as a volunteer in the county or city.

(b) "Applicant for licensure" means an individual who seeks a license issued by the county or city which is not subject to a federal or state-mandated background check.

(c) "Authorized law enforcement agency" means the county sheriff for checks conducted for county purposes, the police department for checks conducted for city purposes, or the county sheriff for checks conducted for city purposes where there is no police department.

(d) "Criminal history check" means retrieval of criminal history data via the secure network described in section 299C.46.

(e) "Criminal history data" means adult convictions and adult open arrests less than one year old found in the Minnesota computerized criminal history repository.

(f) "Informed consent" has the meaning given in section 13.05, subdivision 4, paragraph (d).

Subd. 2. **Criminal history check authorized.** (a) The criminal history check authorized by this section cannot be used in place of a statutorily-mandated or authorized background check.

(b) An authorized law enforcement agency may conduct a criminal history check of an individual who is an applicant for employment or applicant for licensure. Prior to conducting the criminal history check, the authorized law enforcement agency must receive the informed consent of the individual.

(c) The authorized law enforcement agency cannot disseminate criminal history data and must maintain the data securely with the agency's office. The authorized law enforcement agency can indicate whether the applicant for employment or applicant for licensure has a criminal history that would prevent hire or acceptance as a volunteer to a hiring authority, or would prevent the issuance of a license to the department that issues the license.

Sec. 23. Minnesota Statutes 2012, section 299F.035, subdivision 1, is amended to read:

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

(b) "~~Minnesota~~ criminal history data" ~~has the meaning given in section 13.87~~ means adult convictions and juvenile adjudications.

(c) "~~Criminal justice agency~~" ~~has the meaning given in section 299C.46, subdivision 2.~~

(~~d~~) "Fire department" has the meaning given in section 299N.01, subdivision 2.

(~~e~~) (d) "Private data" has the meaning given in section 13.02, subdivision 12.

Sec. 24. Minnesota Statutes 2012, section 299F.035, subdivision 2, is amended to read:

Subd. 2. **Plan for access to data.** (a) ~~The superintendent of the Bureau of Criminal Apprehension, in consultation with the state fire marshal, shall develop and implement a plan for fire departments to have access to criminal history data~~ A background check must be conducted on all applicants for employment and may be conducted on current employees at a fire department. The fire chief must conduct a Minnesota criminal history record check. For applicants for employment who have lived in Minnesota for less than five years, or on the request of the fire chief, a national criminal history record check must also be conducted.



~~(b) The plan must include:~~

~~(1) security procedures to prevent unauthorized use or disclosure of private data; and~~

~~(2) a procedure for the hiring or employing authority in each fire department to fingerprint job applicants or employees, submit requests to the Bureau of Criminal Apprehension, and obtain state and federal criminal history data reports for a nominal fee.~~

(b) For a Minnesota criminal history record check, the fire chief must either (i) submit the signed informed consent of the applicant or employee and the required fee to the superintendent, or (ii) submit the signed informed consent to the chief of police. The superintendent or chief must retrieve Minnesota criminal history data and provide the data to the fire chief for review.

(c) For a national criminal history record check, the fire chief must submit the signed informed consent and fingerprints of the applicant or employee, and the required fee, to the superintendent. The superintendent may exchange the fingerprints with the Federal Bureau of Investigation to obtain the individual's national criminal history record information. The superintendent must return the results of the national criminal history record check to the fire chief for the purpose of determining if the applicant is qualified to be employed or if a current employee is able to retain the employee's position.

Sec. 25. Minnesota Statutes 2012, section 299F.77, is amended to read:

**299F.77 ISSUANCE TO CERTAIN PERSONS PROHIBITED.**

Subdivision 1. **Disqualifiers.** The following persons shall not be entitled to receive an explosives license or permit:

(1) a person under the age of 18 years;

(2) a person who has been convicted in this state or elsewhere of a crime of violence, as defined in section 299F.72, subdivision 1b, unless ten years have elapsed since the person's civil rights have been restored or the sentence has expired, whichever occurs first, and during that time the person has not been convicted of any other crime of violence. For purposes of this section, crime of violence includes crimes in other states or jurisdictions that would have been crimes of violence if they had been committed in this state;

(3) a person who is or has ever been confined or committed in Minnesota or elsewhere as a person who is mentally ill, developmentally disabled, or mentally ill and dangerous to the public, as defined in section 253B.02, to a treatment facility, unless the person possesses a certificate of a medical doctor or psychiatrist licensed in Minnesota, or other satisfactory proof, that the person is no longer suffering from this disability;

(4) a person who has been convicted in Minnesota or elsewhere for the unlawful use, possession, or sale of a controlled substance other than conviction for possession of a small amount of marijuana, as defined in section 152.01, subdivision 16, or who is or has ever been hospitalized or committed for treatment for the habitual use of a controlled substance or marijuana, as defined in sections 152.01 and 152.02, unless the person possesses a certificate of a medical doctor or psychiatrist licensed in Minnesota, or other satisfactory proof, that the person has not abused a controlled substance or marijuana during the previous two years; and

(5) a person who has been confined or committed to a treatment facility in Minnesota or elsewhere as chemically dependent, as defined in section 253B.02, unless the person has completed treatment.

Subd. 2. **Background check.** (a) For licenses issued by the commissioner under section 299F.73, the applicant for licensure must provide the commissioner with all of the information required by Code of Federal Regulations, title 28, section 25.7. The commissioner will forward the information to the superintendent of the Bureau of

Criminal Apprehension so that criminal records, histories, and warrant information on the applicant can be retrieved from the Minnesota Crime Information System and the National Instant Criminal Background Check System, as well as the civil commitment records maintained by the Department of Human Services. The results must be returned to the commissioner to determine if the individual applicant is qualified to receive a license.

(b) For permits issued by a county sheriff or chief of police under section 299F.75, the applicant for a permit must provide the county sheriff or chief of police with all of the information required by Code of Federal Regulations, title 28, section 25.7. The county sheriff or chief of police must check, by means of electronic data transfer, criminal records, histories, and warrant information on each applicant through the Minnesota Crime Information System and the National Instant Criminal Background Check System, as well as the civil commitment records maintained by the Department of Human Services. The county sheriff or police chief shall use the results of the query to determine if the individual applicant is qualified to receive a permit.

Sec. 26. Minnesota Statutes 2012, section 340A.301, subdivision 2, is amended to read:

Subd. 2. **Persons eligible.** (a) Licenses under this section may be issued only to a person who:

(1) is of good moral character and repute;

(2) is 21 years of age or older;

(3) has not had a license issued under this chapter revoked within five years of the date of license application, or to any person who at the time of the violation owns any interest, whether as a holder of more than five percent of the capital stock of a corporation licensee, as a partner or otherwise, in the premises or in the business conducted thereon, or to a corporation, partnership, association, enterprise, business, or firm in which any such person is in any manner interested; and

(4) has not been convicted within five years of the date of license application of a felony, or of a willful violation of a federal or state law, or local ordinance governing the manufacture, sale, distribution, or possession for sale or distribution of alcoholic beverages. The Alcohol and Gambling Enforcement Division may require that fingerprints be taken and may forward the fingerprints to the Federal Bureau of Investigation for purposes of a criminal history check.

(b) In order to determine if an individual has a felony or willful violation of federal or state law governing the manufacture, sale, distribution, or possession for sale or distribution of an alcoholic beverage, the applicant for a license to manufacture or sell at wholesale must provide the commissioner with the applicant's signed, written informed consent to conduct a background check. The commissioner may query the Minnesota criminal history repository for records on the applicant. If the commissioner conducts a national criminal history record check, the commissioner must obtain fingerprints from the applicant and forward them and the required fee to the superintendent of the Bureau of Criminal Apprehension. The superintendent may exchange the fingerprints with the Federal Bureau of Investigation for purposes of obtaining the applicant's national criminal history record information. The superintendent shall return the results of the national criminal history records check to the commissioner for the purpose of determining if the applicant is qualified to receive a license.

Sec. 27. Minnesota Statutes 2012, section 340A.402, is amended to read:

#### **340A.402 PERSONS ELIGIBLE.**

Subdivision 1. **Disqualifiers.** No retail license may be issued to:

(1) a person under 21 years of age;

(2) a person who has had an intoxicating liquor or 3.2 percent malt liquor license revoked within five years of the license application, or to any person who at the time of the violation owns any interest, whether as a holder of more than five percent of the capital stock of a corporation licensee, as a partner or otherwise, in the premises or in the business conducted thereon, or to a corporation, partnership, association, enterprise, business, or firm in which any such person is in any manner interested;

(3) a person not of good moral character and repute; or

(4) a person who has a direct or indirect interest in a manufacturer, brewer, or wholesaler.

In addition, no new retail license may be issued to, and the governing body of a municipality may refuse to renew the license of, a person who, within five years of the license application, has been convicted of a felony or a willful violation of a federal or state law or local ordinance governing the manufacture, sale, distribution, or possession for sale or distribution of an alcoholic beverage. The Alcohol and Gambling Enforcement Division or licensing authority may require that fingerprints be taken and forwarded to the Federal Bureau of Investigation for purposes of a criminal history check.

Subd. 2. **Background check.** (a) A retail liquor license may be issued by a city, a county, or the commissioner. The chief of police is responsible for the background checks prior to a city issuing a retail liquor license. A county sheriff is responsible for the background checks prior to the county issuing a retail liquor license and for those cities that do not have a police department. The commissioner is responsible for the background checks prior to the state issuing a retail liquor license.

(b) The applicant for a retail license must provide the appropriate authority with the applicant's signed, written informed consent to conduct a background check. The appropriate authority is authorized to query the Minnesota criminal history repository for records on the applicant. If the appropriate authority conducts a national criminal history records check, the appropriate authority must obtain fingerprints from the applicant and forward the fingerprints and the required fee to the superintendent of the Bureau of Criminal Apprehension. The superintendent may exchange the fingerprints with the Federal Bureau of Investigation for purposes of obtaining the applicant's national criminal history record information. The superintendent shall return the results of the national criminal history records check to the appropriate authority for the purpose of determining if the applicant is qualified to receive a license.

Sec. 28. Minnesota Statutes 2012, section 611A.203, subdivision 4, is amended to read:

**Subd. 4. Duties; access to data.** (a) The domestic fatality review team shall collect, review, and analyze death certificates and death data, including investigative reports, medical and counseling records, victim service records, employment records, child abuse reports, or other information concerning domestic violence deaths, survivor interviews and surveys, and other information deemed by the team as necessary and appropriate concerning the causes and manner of domestic violence deaths.

(b) The review team has access to the following not public data, as defined in section 13.02, subdivision 8a, relating to a case being reviewed by the team: inactive law enforcement investigative data under section 13.82; autopsy records and coroner or medical examiner investigative data under section 13.83; hospital, public health, or other medical records of the victim under section 13.384; records under section 13.46, created by social service agencies that provided services to the victim, the alleged perpetrator, or another victim who experienced or was threatened with domestic abuse by the perpetrator; and child maltreatment records under section 626.556, relating to the victim or a family or household member of the victim. Access to medical records under this paragraph also includes records governed by sections 144.291 to 144.298. The review team has access to corrections and detention data as provided in section 13.85.

(c) As part of any review, the domestic fatality review team may compel the production of other records by applying to the district court for a subpoena, which will be effective throughout the state according to the Rules of Civil Procedure.

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

Sec. 29. **REPEALER.**

Minnesota Statutes 2012, section 299A.28, is repealed."

Delete the title and insert:

"A bill for an act relating to state government; classifying or modifying certain provisions concerning data practices; requiring informed consent; amending definitions; allowing disclosure of certain data; allowing access to certain records; making technical changes; modifying certain provisions regarding transportation and health data; modifying certain provisions regarding criminal history records, criminal background checks, and other criminal justice data provisions; extending for six years the sunset provision for the newborn screening advisory committee; repealing the McGruff safe house program; amending Minnesota Statutes 2012, sections 13.37, subdivision 1; 13.386, subdivision 3; 13.43, subdivision 2; 13.64, subdivision 2; 13.72, subdivision 10, by adding subdivisions; 144.966, subdivisions 2, 3, by adding subdivisions; 171.07, subdivision 1a; 268.19, subdivision 1; 299C.11, subdivision 1; 299C.46, subdivisions 1, 2, 2a, 3; 299F.035, subdivisions 1, 2; 299F.77; 340A.301, subdivision 2; 340A.402; 611A.203, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 13; 144; 299C; repealing Minnesota Statutes 2012, section 299A.28."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 745, A bill for an act relating to municipalities; authorizing municipalities to establish street improvement districts and apportion street improvement fees within districts; requiring adoption of street improvement plan; authorizing collection of fees; proposing coding for new law in Minnesota Statutes, chapter 435.

Reported the same back with the following amendments:

Page 2, line 8, before "parcels" insert "developed"

Page 2, line 10, delete "parcels or" and insert "developed parcels or developed"

Page 2, line 18, delete "ten" and insert "30"

Page 2, line 19, delete "ten" and insert "30"

Page 2, delete subdivision 5

Renumber the subdivisions in sequence

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

The report was adopted.

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

H. F. No. 748, A bill for an act relating to employment; modifying prompt payment of wages requirements; modifying penalties; amending Minnesota Statutes 2012, sections 181.13; 181.14.

Reported the same back with the following amendments:

Page 3, line 7, delete "but remain" and insert "and"

Page 4, line 3, delete "unless" and insert ", who is not an independent contractor, for lost or stolen property, damage to property, or to recover any other claimed indebtedness running from employee to employer, except as permitted by section 181.79"

Page 4, line 4, delete the new language

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 767, A bill for an act relating to human services; making changes to continuing care provisions; modifying provisions related to advisory task forces, nursing homes, resident relocation, medical assistance, long-term care consultation services, assessments, and reporting of maltreatment; requiring a report; amending Minnesota Statutes 2012, sections 15.014, subdivision 2; 144.0724, subdivision 12; 144A.071, subdivision 4d; 144A.161; 256B.056, subdivision 3; 256B.057, subdivision 9; 256B.0652, subdivision 5; 256B.0659, subdivision 7, by adding a subdivision; 256B.0911, subdivision 3a; 256B.092, subdivision 7; 256B.441, subdivisions 1, 43, 63; 256B.49, subdivision 14; 256B.492; 626.557, subdivision 10; repealing Minnesota Statutes 2012, section 256B.437, subdivision 8; Laws 2012, chapter 216, article 11, section 31.

Reported the same back with the recommendation that 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. 778, A bill for an act relating to natural resources; providing for exchange of road easements; modifying forest management investment account; modifying State Timber Act; appropriating money; amending Minnesota Statutes 2012, sections 89.0385; 90.01, subdivisions 4, 5, 6, 8, 11; 90.031, subdivision 4; 90.041, subdivisions 2, 5, 6, 9, by adding subdivisions; 90.045; 90.061, subdivision 8; 90.101, subdivision 1; 90.121; 90.145; 90.151, subdivisions 1, 2, 3, 4, 6, 7, 8, 9; 90.161; 90.162; 90.171; 90.181, subdivision 2; 90.191, subdivision 1; 90.193; 90.195; 90.201, subdivision 2a; 90.211; 90.221; 90.252, subdivision 1; 90.301, subdivisions 2, 4; 90.41, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 84; 90; repealing Minnesota Statutes 2012, sections 90.163; 90.173; 90.41, subdivision 2.

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.

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

H. F. No. 790, A bill for an act relating to public safety; clarifying when conditional release terms of certain offenders begin; amending Minnesota Statutes 2012, sections 243.166, subdivision 5a; 609.2231, subdivision 3a; 609.3455, subdivisions 6, 7; 617.246, subdivision 7; 617.247, subdivision 9.

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

The report was adopted.

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

H. F. No. 817, A bill for an act relating to private detectives; exempting certified public accounting services from licensure requirements; amending Minnesota Statutes 2012, section 326.3341.

Reported the same back with the following amendments:

Page 2, delete line 8 and insert "(8) a certified public accountant or a CPA firm, while"

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.

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

H. F. No. 828, A bill for an act relating to public safety; authorizing and modifying access to secure communications network; providing minimum standards; clarifying use of network; amending Minnesota Statutes 2012, sections 299C.11, subdivision 1; 299C.46, subdivisions 1, 2, 2a, 3; 299F.035, subdivisions 1, 2; 299F.77; 340A.301, subdivision 2; 340A.402; proposing coding for new law in Minnesota Statutes, chapter 299C; repealing Minnesota Statutes 2012, section 299A.28.

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. 853, A bill for an act relating to public safety; fire and police department aid; modifying threshold for financial reports and audits; amending Minnesota Statutes 2012, section 69.051, 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. 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 recommendation that the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

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

H. F. No. 865, A bill for an act relating to environment; providing for product stewardship programs; requiring a report; amending Minnesota Statutes 2012, section 13.7411, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 115A.

Reported the same back with the following amendments:

Page 1, delete section 1

Page 6, delete subdivision 13 and insert:

"Subd. 13. **Sales information.** Sales information provided to the commissioner under this section is classified as private or nonpublic data, as specified in section 115A.06, subdivision 13."

Page 12, delete subdivision 13 and insert:

"Subd. 13. **Sales information.** Sales information provided to the commissioner under this section is classified as private or nonpublic data, as specified in section 115A.06, subdivision 13."

Page 14, delete lines 12 to 14 and insert:

"(3) "primary battery" means a battery weighing two kilograms or less that is not designed to be electrically recharged, including, but not limited to, alkaline manganese, carbon zinc, lithium, silver oxide, and zinc air batteries. Nonremovable batteries and medical devices as defined in the federal Food, Drug, and Cosmetic Act, United States Code, title 21, section 321(h), as amended, are exempted from this definition."

Page 14, delete lines 29 to 31

Page 14, line 32, delete "(8)" and insert "(7)"

Page 15, line 1, delete "(9)" and insert "(8)"

Page 15, line 4, delete "(10)" and insert "(9)"

Page 15, line 9, delete "reuse and"

Page 15, line 11, delete "and reuse"

Page 15, line 33, delete "all"

Page 15, line 34, before the first "batteries" insert "primary"

Page 16, lines 4 and 16, before "batteries" insert "primary"

Page 16, line 15, delete "reuse, deconstruct, or"

Page 16, line 26, delete "and reused"

Page 16, line 31, delete "and"

Page 16, line 32, delete the period and insert "; and"

Page 16, after line 32, insert:

"(v) the market share of the producers participating in the plan."

Page 17, line 29, delete "12" and insert "13"

Page 18, line 4, delete "unwanted" and insert "discarded"

Page 18, line 5, delete "reuse,"

Page 18, line 8, after "audit" insert "of the stewardship organization"

Page 18, delete subdivision 13 and insert:

"Subd. 13. **Sales information.** Sales information provided to the commissioner under this section is classified as private or nonpublic data, as specified in section 115A.06, subdivision 13."

Page 19, after line 11, insert:

"Subd. 16. **Exemption; medical device.** The requirements of this section do not apply to a medical device as defined in the Food, Drug, and Cosmetic Act, United States Code, title 21, section 321, paragraph (h)."

Subd. 17. **Private enforcement.** (a) The operator of a statewide product stewardship program established under subdivision 2 that incurs costs exceeding \$5,000 to collect, handle, recycle, or properly dispose of discarded primary batteries sold or offered for sale in Minnesota by a producer who does not implement its own program or participate in a program implemented by a stewardship organization, may bring a civil action or actions to recover costs and fees as specified in paragraph (b) from each nonimplementing or nonparticipating producer who can reasonably be identified from a brand or marking on a used consumer battery or from other information.

(b) An action under paragraph (a) may be brought against one or more primary battery producers, provided that no such action may be commenced:

(1) prior to 60 days after written notice of the operator's intention to file suit has been provided to the agency and the defendant or defendants; or

(2) if the agency has commenced enforcement actions under subdivision 10 and is diligently pursuing such actions.



(c) In any action under paragraph (b), the plaintiff operator may recover from a defendant nonimplementing or nonparticipating primary battery producer costs the plaintiff incurred to collect, handle, recycle, or properly dispose of primary batteries reasonably identified as having originated from the defendant, plus the plaintiff's attorney fees and litigation costs."

Renumber the sections in sequence and correct the internal references

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.

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

H. F. No. 894, 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.

Reported the same back with the following amendments:

Page 45, delete section 5 and insert:

"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. Upon receiving an affidavit alleging a violation of this chapter, a county attorney shall promptly forward it to a law enforcement agency with jurisdiction for investigation. 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 according to the generally applicable standards regarding the prosecutorial functions and duties of a county attorney, provided that the county attorney is not required to proceed with the prosecution if the complainant withdraws the allegation.~~ 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.~~ Willful violation of this chapter by any public employee constitutes just cause for suspension without pay or dismissal of the public employee."

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

The report was adopted.

Nelson from the Committee on Government Operations 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 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.

Reported the same back with the following amendments:

Page 2, after line 19, insert:

"The commissioner of human services may administer section 179A.06, subdivision 6, for the purposes of this section only."

Page 2, line 30, delete "been paid for providing child care assistance"

Page 2, line 31, delete "services to participants" and insert "had an active registration under chapter 119B"

Page 5, delete lines 32 to 35 and insert:

"(3) access to training and educational opportunities, including training funds, for individual providers;

(4) required orientation programs, including those for newly hired individual providers;

(5) access to job opportunities within covered programs, including referral opportunities and practices, through the operation of public registries;

(6) access to and dissemination of information in the registry to participants and participants' representatives; and

(7) procedures for resolving grievances regarding matters in clauses (1) to (6)."

Page 7, line 13, delete "SELF-DIRECTED" and insert "CONSUMER-DIRECTED"

Page 8, line 10, delete "Self-Directed" and insert "Consumer-Directed"

Page 8, line 11, delete "Self-Directed" and insert "Consumer-Directed"

Page 8, delete lines 17 to 19 and insert:

"(1) one parent or legal guardian of a minor who is a current recipient of direct support services in covered programs;

(2) six current recipients of direct support services in covered programs, including:

(i) at least one current recipient of direct support services through consumer-directed community supports; and

(ii) two current recipients of direct support services who are adults with a legal guardian, who may participate with the assistance of their guardian or other support person of their choice; and"

Page 8, after line 22, insert:

"The membership of the council shall be geographically representative of the participants in covered programs and reflect the diversity of direct support service participants with respect to race, age, and disability. No member, other than the chair, shall be an employee of the Department of Human Services or the Department of Management and Budget and no member shall be an individual provider."

Page 8, line 26, after the period, insert "Members shall also be reimbursed for reasonable and necessary travel and personal assistance services expenses that allow for performing council duties and attending authorized meetings."

Page 8, line 33, delete subdivision 7 and insert:

"Subd. 7. **Meetings.** (a) Notwithstanding section 13D.01, the Quality Consumer-Directed Services Workforce Council may conduct a meeting of its members by telephone or other electronic means so long as the following conditions are met:

(1) all members of the council participating in the meeting, wherever their physical location, can hear one another and can hear all discussion and testimony;

(2) members of the public present at the regular meeting location of the council can hear all discussion and all votes of members of the council and participate in testimony;

(3) at least one member of the council is physically present at the regular meeting location;

(4) all votes are conducted by roll call, so each member's vote on each issue can be identified and recorded; and

(5) accommodations are made for members with communication barriers so that all members are able to actively participate.

(b) Each member of the council participating in a meeting by telephone or other electronic means is considered present at the meeting for purposes of determining a quorum and participating in all proceedings.

(c) If telephone or another electronic means is used to conduct a meeting, the council, to the extent practical, shall allow a person to monitor the meeting electronically from a remote location. The council may require the person making such a connection to pay for documented marginal costs that the council incurs as a result of the additional connection.

(d) If telephone or another electronic means is used to conduct a regular, special, or emergency meeting, the council shall provide notice of the regular meeting location, of the fact that some members may participate by electronic means, and of the provisions of paragraph (c). The timing and method of providing notice is governed by section 13D.04."

Page 10, line 8, after "registries" insert "of individuals who have consented to be included"

Amend the title as follows:

Page 1, line 4, delete "Self-Directed" and insert "Consumer-Directed"

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

A roll call was requested and properly seconded on the adoption of the report from the Committee on Government Operations relating to H. F. No. 950.

The Speaker called Hortman to the Chair.

#### POINT OF ORDER

Daudt raised a point of order pursuant to section 616 of "Mason's Manual of Legislative Procedure," relating to Proposing Amendments to Bills. Speaker pro tempore Hortman ruled the point of order not well taken.

Savick was excused for the remainder of today's session.

#### CALL OF THE HOUSE

On the motion of Daudt and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

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

Murphy, E., moved that further proceedings of the roll call be suspended and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

The Speaker resumed the Chair.

The question recurred on the adoption of the report from the Committee on Government Operations relating to H. F. No. 950 and the roll was called. There were 65 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Allen	Erhardt	Hortman	Lillie	Murphy, E.	Selcer
Atkins	Erickson, R.	Huntley	Loeffler	Murphy, M.	Simon
Benson, J.	Falk	Isaacson	Mahoney	Nelson	Simonson
Bernardy	Faust	Johnson, C.	Mariani	Newton	Sundin
Bly	Fischer	Johnson, S.	Marquart	Paymar	Wagenius
Brynaert	Freiberg	Kahn	Masin	Pelowski	Ward, J.A.
Carlson	Fritz	Laine	Melin	Persell	Ward, J.E.
Clark	Halverson	Lenczewski	Metsa	Poppe	Winkler
Davnie	Hansen	Lesch	Moran	Radinovich	Yarusso
Dehn, R.	Hausman	Liebling	Morgan	Sawatzky	Spk. Thissen
Dorholt	Hilstrom	Lien	Mullery	Schoen	

Those who voted in the negative were:

Abeler	Dean, M.	Hamilton	Lohmer	Peppin	Torkelson
Albright	Dettmer	Hertaus	Loon	Petersburg	Uglen
Anderson, M.	Drazkowski	Holberg	McDonald	Pugh	Urdahl
Anderson, P.	Erickson, S.	Hoppe	McNamar	Quam	Wills
Anderson, S.	Fabian	Howe	McNamara	Rosenthal	Woodard
Barrett	FitzSimmons	Johnson, B.	Myhra	Runbeck	Zerwas
Beard	Franson	Kelly	Newberger	Sanders	
Benson, M.	Garofalo	Kieffer	Nornes	Schomacker	
Cornish	Green	Kiel	Norton	Scott	
Daudt	Gruenhagen	Kresha	O'Driscoll	Swedzinski	
Dauids	Gunther	Leidiger	O'Neill	Theis	

The report from the Committee on Government Operations relating to H. F. No. 950 was adopted.

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

H. F. No. 972, A bill for an act relating to legislative enactments; correcting erroneous, ambiguous, and omitted text and obsolete references; removing redundant, conflicting, and superseded provisions; making miscellaneous corrections to laws, statutes, and rules; amending Minnesota Statutes 2012, sections 13.08, subdivision 4; 13.3806, by adding a subdivision; 13.383, subdivision 11a; 13.461, subdivision 2; 13.7191, subdivision 14; 13.7905, by adding a subdivision; 13.7931, by adding a subdivision; 13.82, subdivision 5; 13B.06, subdivisions 4, 7; 13B.07, subdivision 7; 14.57; 14.63; 15A.0815, subdivision 1; 15B.155, subdivision 4; 16A.727; 28.04; 28A.0752, subdivision 1; 28A.085, subdivision 1; 29.21, subdivision 1; 29.22, subdivision 5; 31.02; 31.095; 31.15; 31.51, subdivision 1; 31.56, subdivision 1; 31.59, subdivision 1; 31.632; 31.671; 82.67, subdivision 1; 116.182, subdivision 5; 124D.111, subdivision 1; 126C.05, subdivision 15; 144.10; 144.125, subdivision 7; 144.56, subdivision 2; 148.65, subdivision 4; 148.741; 148B.591; 148D.061, subdivision 1; 150A.06, subdivision 2c; 169.011, by adding a subdivision; 216B.16, subdivision 6b; 216B.164, subdivision 9; 232.20; 232.21, subdivision 1; 232.24; 243.1606, subdivision 1; 245D.03, subdivision 2; 252.27, subdivision 2a; 256B.055, subdivision 1; 256B.0595, subdivision 4; 256J.21, subdivision 2; 256J.24, subdivision 3; 257.0755, subdivision 3; 257.0769, subdivision 1; 259.22, subdivision 4; 259.35, subdivision 1; 259.85, subdivision 1; 260C.007, subdivisions 6, 8; 260C.178, subdivision 1;

260C.503, subdivision 2; 272.488, subdivision 2; 275.066; 297E.021, subdivision 4; 299A.642, subdivision 4; 299A.78, subdivision 1; 299L.02, by adding a subdivision; 308A.931, subdivision 2; 336.9-313; 360.046, subdivision 1; 383A.13, subdivision 4; 390.32, subdivision 9; 463.04; 465.05; 469.169, subdivisions 12, 14, 15, 16, 17, 18; 469.1763, subdivision 2; 471.982, subdivision 3; 473J.14; 504B.285, subdivision 1c; 518B.02, subdivision 3; 524.3-803; 580.041, subdivision 2a; 609.233, subdivision 1a; 609B.445; 611A.02, subdivisions 2, 3; 611A.201, subdivisions 1, 2, 5; 611A.37, subdivisions 2, 3; 611A.373; 611A.46; 611A.77, subdivisions 1, 2, 3; 626.556, subdivision 2; 626.9517, subdivision 1; 629.341, subdivision 4; Laws 2010, chapter 375, section 11; Laws 2012, chapter 199, section 6; Laws 2012, chapter 293, section 13, subdivision 3; repealing Minnesota Statutes 2012, sections 2.031, subdivision 2; 2.444; 2.484; 13.717, subdivisions 6, 7; 260C.301, subdivision 3; 325E.3161; 473.618; Laws 2007, chapter 85, section 3; Laws 2012, chapter 216, article 9, section 4; Minnesota Rules, part 7200.0100, subpart 3a.

Reported the same back with the following amendments:

Page 8, after line 11, insert:

"Sec. 11. Minnesota Statutes 2012, section 16A.965, subdivision 2, is amended to read:

Subd. 2. **Authorization to issue appropriation bonds.** (a) Subject to the limitations of this subdivision, the commissioner may sell and issue appropriation bonds of the state under this section for public purposes as provided by law, including, in particular, the financing of all or a portion of the acquisition, construction, improving, and equipping of the stadium project of the Minnesota Sports Facilities Authority as provided by chapter 473J. Proceeds of the appropriation bonds must be credited to a special appropriation stadium bond proceeds fund in the state treasury. Net income from investment of the proceeds, as estimated by the commissioner, must be credited to the special appropriation stadium bond proceeds fund.

(b) Appropriation bonds may be sold and issued in amounts that, in the opinion of the commissioner, are necessary to provide sufficient funds, not to exceed \$498,000,000 net of costs of issuance, revenue generated under section ~~16A.6455~~ 297E.021, and allocated by the commissioner of management and budget for this purpose and costs of credit enhancement for achieving the purposes authorized as provided under paragraph (a), and pay debt service including capitalized interest, pay costs of issuance, make deposits to reserve funds, pay the costs of credit enhancement, or make payments under other agreements entered into under paragraph (d); provided, however, that appropriation bonds issued and unpaid shall not exceed \$600,000,000 in principal amount, excluding refunding bonds sold and issued under subdivision 4.

(c) Appropriation bonds may be issued from time to time in one or more series on the terms and conditions the commissioner determines to be in the best interests of the state, but the term on any series of appropriation bonds may not exceed 30 years. The appropriation bonds of each issue and series thereof shall be dated and bear interest, and may be includable in or excludable from the gross income of the owners for federal income tax purposes.

(d) At the time of, or in anticipation of, issuing the appropriation bonds, and at any time thereafter, so long as the appropriation bonds are outstanding, the commissioner may enter into agreements and ancillary arrangements relating to the appropriation bonds, including but not limited to trust indentures, grant agreements, lease or use agreements, operating agreements, management agreements, liquidity facilities, remarketing or dealer agreements, letter of credit agreements, insurance policies, guaranty agreements, reimbursement agreements, indexing agreements, or interest exchange agreements. Any payments made or received according to the agreement or ancillary arrangement shall be made from or deposited as provided in the agreement or ancillary arrangement. The determination of the commissioner included in an interest exchange agreement that the agreement relates to an appropriation bond shall be conclusive.

(e) The commissioner may enter into written agreements or contracts relating to the continuing disclosure of information necessary to comply with, or facilitate the issuance of appropriation bonds in accordance with federal securities laws, rules, and regulations, including Securities and Exchange Commission rules and regulations in Code of Federal Regulations, title 17, section 240.15c 2-12. An agreement may be in the form of covenants with purchasers and holders of appropriation bonds set forth in the order or resolution authorizing the issuance of the appropriation bonds, or a separate document authorized by the order or resolution.

(f) The appropriation bonds are not subject to chapter 16C."

Renumber the sections in sequence and correct the internal references

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 978, A bill for an act relating to health plan regulation; regulating policy and contract coverages; conforming state law to federal requirements; amending Minnesota Statutes 2012, sections 13.7191, subdivision 12; 43A.23, subdivision 1; 43A.317, subdivision 6; 60A.08, subdivision 15; 62A.011, subdivision 3, by adding subdivisions; 62A.02, by adding a subdivision; 62A.03, subdivision 1; 62A.04, subdivision 2; 62A.047; 62A.049; 62A.136; 62A.149, subdivision 1; 62A.17, subdivisions 2, 6; 62A.21, subdivision 2b; 62A.28, subdivision 2; 62A.302; 62A.615; 62A.65, subdivisions 3, 5, 6, 7; 62C.14, subdivision 5; 62C.142, subdivision 2; 62D.02, by adding a subdivision; 62D.07, subdivision 3; 62D.095; 62D.12, by adding a subdivision; 62D.181, subdivision 7; 62D.30, subdivision 8; 62E.02, by adding a subdivision; 62E.04, subdivision 4; 62E.06, subdivision 1; 62E.09; 62E.10, subdivision 7; 62H.04; 62L.02, subdivisions 11, 14a, 26, by adding a subdivision; 62L.03, subdivisions 1, 3, 4, 6; 62L.045, subdivisions 2, 4; 62L.05, subdivision 10; 62L.06; 62L.08; 62L.12, subdivision 2; 62M.05, subdivision 3a; 62M.06, subdivision 1; 62Q.01, by adding subdivisions; 62Q.021; 62Q.17, subdivision 6; 62Q.18, by adding a subdivision; 62Q.19, by adding a subdivision; 62Q.23; 62Q.43, subdivision 2; 62Q.47; 62Q.52; 62Q.55; 62Q.68, subdivision 1; 62Q.69, subdivision 3; 62Q.70, subdivisions 1, 2; 62Q.71; 62Q.73; 62Q.75, subdivision 1; 62Q.80, subdivision 2; 72A.20, subdivision 35; 471.61, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapters 62A; 62Q; 72A; repealing Minnesota Statutes 2012, sections 62A.65, subdivision 6; 62E.02, subdivision 7; 62E.16; 62E.20; 62L.02, subdivisions 4, 18, 19, 23; 62L.05, subdivisions 1, 2, 3, 4, 4a, 5, 6, 7, 11, 12, 13; 62L.081; 62L.10; 62Q.37, subdivision 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2012, section 43A.23, subdivision 1, is amended to read:

Subdivision 1. **General.** (a) The commissioner is authorized to request proposals or to negotiate and to enter into contracts with parties which in the judgment of the commissioner are best qualified to provide service to the benefit plans. Contracts entered into are not subject to the requirements of sections 16C.16 to 16C.19. The commissioner may negotiate premium rates and coverage. The commissioner shall consider the cost of the plans, conversion options relating to the contracts, service capabilities, character, financial position, and reputation of the carriers, and any other factors which the commissioner deems appropriate. Each benefit contract must be for a

uniform term of at least one year, but may be made automatically renewable from term to term in the absence of notice of termination by either party. A carrier licensed under chapter 62A is exempt from the taxes imposed by chapter 297I on premiums paid to it by the state.

(b) All self-insured hospital and medical service products must comply with coverage mandates, data reporting, and consumer protection requirements applicable to the licensed carrier administering the product, had the product been insured, including chapters 62J, 62M, and 62Q. Any self-insured products that limit coverage to a network of providers or provide different levels of coverage between network and nonnetwork providers shall comply with section 62D.123 and geographic access standards for health maintenance organizations adopted by the commissioner of health in rule under chapter 62D.

(c) Notwithstanding paragraph (b), a self-insured hospital and medical product offered under sections 43A.22 to 43A.30 is ~~not~~ required to extend dependent coverage to an eligible employee's ~~unmarried~~ child ~~under the age of 25~~ to the full extent required under chapters 62A and 62L. Dependent child coverage must, at a minimum, extend to an eligible employee's unmarried dependent child who is under the age of 19 or an unmarried child under the age of 25 who is a full-time student. ~~A person who is at least 19 years of age but who is under the age of 25 and who is not a full-time student must be permitted to be enrolled as a dependent of an eligible employee until age 25 if the person: to the limiting age as defined in section 62Q.01, subdivision 9, disabled children to the extent required in sections 62A.14 and 62A.141, and dependent grandchildren to the extent required in sections 62A.042 and 62A.302.~~

~~(1) was a full-time student immediately prior to being ordered into active military service, as defined in section 190.05, subdivision 5b or 5c;~~

~~(2) has been separated or discharged from active military service; and~~

~~(3) would be eligible to enroll as a dependent of an eligible employee, except that the person is not a full-time student.~~

~~The definition of "full-time student" for purposes of this paragraph includes any student who by reason of illness, injury, or physical or mental disability as documented by a physician is unable to carry what the educational institution considers a full-time course load so long as the student's course load is at least 60 percent of what otherwise is considered by the institution to be a full-time course load. Any notice regarding termination of coverage due to attainment of the limiting age must include information about this definition of "full-time student."~~

(d) Beginning January 1, 2010, the health insurance benefit plans offered in the commissioner's plan under section 43A.18, subdivision 2, and the managerial plan under section 43A.18, subdivision 3, must include an option for a health plan that is compatible with the definition of a high-deductible health plan in section 223 of the United States Internal Revenue Code.

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

Sec. 2. Minnesota Statutes 2012, section 43A.317, subdivision 6, is amended to read:

Subd. 6. **Individual eligibility.** (a) **Procedures.** The commissioner shall establish procedures for eligible employees and other eligible individuals to apply for coverage through the program.

(b) **Employees.** An employer shall determine when it applies to the program the criteria its employees must meet to be eligible for coverage under its plan. An employer may subsequently change the criteria annually or at other times with approval of the commissioner. The criteria must provide that new employees become eligible for coverage after a probationary period of at least 30 days, but no more than 90 days.

(c) **Other individuals.** An employer may elect to cover under its plan:



(1) the spouse, dependent children to the limiting age as defined in section 62Q.01, subdivision 9, disabled children to the extent required in sections 62A.14 and 62A.141, and dependent grandchildren ~~of a covered employee~~ to the extent required in sections 62A.042 and 62A.302;

(2) a retiree who is eligible to receive a pension or annuity from the employer and a covered retiree's spouse, dependent children to the limiting age as defined in section 62Q.01, subdivision 9, disabled children to the extent required in sections 62A.14 and 62A.141, and dependent grandchildren to the extent required in sections 62A.042 and 62A.302;

(3) the surviving spouse, dependent children to the limiting age as defined in section 62Q.01, subdivision 9, disabled children, and dependent grandchildren of a deceased employee or retiree, if the spouse, children, or grandchildren were covered at the time of the death;

(4) a covered employee who becomes disabled, as provided in sections 62A.147 and 62A.148; or

(5) any other categories of individuals for whom group coverage is required by state or federal law.

An employer shall determine when it applies to the program the criteria individuals in these categories must meet to be eligible for coverage. An employer may subsequently change the criteria annually, or at other times with approval of the commissioner. The criteria for dependent children to the limiting age as defined in section 62Q.01, subdivision 9, disabled children, and dependent grandchildren may be no more inclusive than the criteria under section 43A.18, subdivision 2. This paragraph shall not be interpreted as relieving the program from compliance with any federal and state continuation of coverage requirements.

(d) **Waiver and late entrance.** An eligible individual may waive coverage at the time the employer joins the program or when coverage first becomes available. The commissioner may establish a preexisting condition exclusion of not more than 18 months for late entrants as defined in section 62L.02, subdivision 19.

(e) **Continuation coverage.** The program shall provide all continuation coverage required by state and federal law.

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

Sec. 3. Minnesota Statutes 2012, section 60A.08, subdivision 15, is amended to read:

Subd. 15. **Classification of insurance filings data.** (a) All forms, rates, and related information filed with the commissioner under section 61A.02 shall be nonpublic data until the filing becomes effective.

(b) All forms, rates, and related information filed with the commissioner under section 62A.02 shall be nonpublic data until the filing becomes effective.

(c) All forms, rates, and related information filed with the commissioner under section 62C.14, subdivision 10, shall be nonpublic data until the filing becomes effective.

(d) All forms, rates, and related information filed with the commissioner under section 70A.06 shall be nonpublic data until the filing becomes effective.

(e) All forms, rates, and related information filed with the commissioner under section 79.56 shall be nonpublic data until the filing becomes effective.

(f) Notwithstanding paragraphs (b) and (c), for all rate increases subject to review under section 2794 of the Public Health Services Act and any amendments to, or regulations, or guidance issued under the act that are filed with the commissioner on or after September 1, 2011, the commissioner:

(1) may acknowledge receipt of the information;

(2) may acknowledge that the corresponding rate filing is pending review;

(3) must provide public access from the Department of Commerce's Web site to parts I and II of the Preliminary Justifications of the rate increases subject to review; and

(4) must provide notice to the public on the Department of Commerce's Web site of the review of the proposed rate, which must include a statement that the public has 30 calendar days to submit written comments to the commissioner on the rate filing subject to review.

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

Sec. 4. Minnesota Statutes 2012, section 62A.011, is amended by adding a subdivision to read:

Subd. 1a. **Affordable Care Act.** "Affordable Care Act" means the federal Patient Protection and Affordable Care Act, Public Law 111-148, as amended, including the federal Health Care and Education Reconciliation Act of 2010, Public Law 111-152, and any amendments to, or regulations or guidance issued under these acts.

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

Sec. 5. Minnesota Statutes 2012, section 62A.011, is amended by adding a subdivision to read:

Subd. 1b. **Grandfathered plan.** "Grandfathered plan" means a health plan in which an individual was enrolled on March 23, 2010, for as long as it maintains that status in accordance with the Affordable Care Act. Unless otherwise specified, grandfathered plans includes both individual and group health plans.

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

Sec. 6. Minnesota Statutes 2012, section 62A.011, is amended by adding a subdivision to read:

Subd. 1c. **Group health plan.** "Group health plan" means a policy or certificate issued to an employer or an employee organization that is both:

(1) a health plan as defined in subdivision 3; and

(2) an employee welfare benefit plan as defined in the Employee Retirement Income Security Act of 1974, United States Code, title 29, section 1002, if the plan provides payment for medical care to employees, including both current and former employees, or their dependents, directly or through insurance, reimbursement, or otherwise.

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

Sec. 7. Minnesota Statutes 2012, section 62A.011, subdivision 3, is amended to read:

Subd. 3. **Health plan.** "Health plan" means a policy or certificate of accident and sickness insurance as defined in section 62A.01 offered by an insurance company licensed under chapter 60A; a subscriber contract or certificate offered by a nonprofit health service plan corporation operating under chapter 62C; a health maintenance contract or

certificate offered by a health maintenance organization operating under chapter 62D; a health benefit certificate offered by a fraternal benefit society operating under chapter 64B; or health coverage offered by a joint self-insurance employee health plan operating under chapter 62H. Health plan means individual and group coverage, unless otherwise specified. Health plan does not include coverage that is:

- (1) limited to disability or income protection coverage;
- (2) automobile medical payment coverage;
- (3) supplemental liability insurance, including general liability insurance and automobile liability insurance, or coverage issued as a supplement to liability insurance;
- (4) designed solely to provide payments on a per diem, fixed indemnity, or non-expense-incurred basis, including coverage only for a specified disease or illness or hospital indemnity or other fixed indemnity insurance, if the benefits are provided under a separate policy, certificate, or contract for insurance; there is no coordination between the provision of benefits and any exclusion of benefits under any group health plan maintained by the same plan sponsor; and the benefits are paid with respect to an event without regard to whether benefits are provided with respect to such an event under any group health plan maintained by the same plan sponsor;
- (5) credit accident and health insurance as defined in section 62B.02;
- (6) designed solely to provide hearing, dental, or vision care;
- (7) blanket accident and sickness insurance as defined in section 62A.11;
- (8) accident-only coverage;
- (9) a long-term care policy as defined in section 62A.46 or 62S.01;
- (10) issued as a supplement to Medicare, as defined in sections 62A.3099 to 62A.44, or policies, contracts, or certificates that supplement Medicare issued by health maintenance organizations or those policies, contracts, or certificates governed by section 1833 or 1876 of the federal Social Security Act, United States Code, title 42, section 1395, et seq., as amended;
- (11) workers' compensation insurance; ~~or~~
- (12) issued solely as a companion to a health maintenance contract as described in section 62D.12, subdivision 1a, so long as the health maintenance contract meets the definition of a health plan-;
- (13) coverage for on-site medical clinics; or
- (14) coverage supplemental to the coverage provided under United States Code, title 10, chapter 55, Civilian Health and Medical Program of the Uniformed Services (CHAMPUS).

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

Sec. 8. Minnesota Statutes 2012, section 62A.011, is amended by adding a subdivision to read:

**Subd. 4. Individual health plan.** "Individual health plan" means a health plan as defined in subdivision 3 that is offered to individuals in the individual market as defined in subdivision 5, but does not mean short-term coverage as defined in section 62A.65, subdivision 7. For purposes of this chapter, a health carrier shall not be deemed to be offering individual health plan coverage solely because the carrier offers a conversion policy in connection with a group health plan.

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

Sec. 9. Minnesota Statutes 2012, section 62A.011, is amended by adding a subdivision to read:

Subd. 5. **Individual market.** "Individual market" means the market for health insurance coverage offered to individuals other than in connection with a group health plan.

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

Sec. 10. Minnesota Statutes 2012, section 62A.011, is amended by adding a subdivision to read:

Subd. 6. **Minnesota Insurance Marketplace.** "Minnesota Insurance Marketplace" means the Minnesota Insurance Marketplace as defined in section 62V.02, if enacted, in 2013 H. F. No. 5/S. F. No. 1.

Sec. 11. Minnesota Statutes 2012, section 62A.011, is amended by adding a subdivision to read:

Subd. 7. **Qualified health plan.** "Qualified health plan" means a health plan that meets the definition in section 1301(a) of the Affordable Care Act and has been certified by the Board of the Minnesota Insurance Marketplace in accordance with chapter 62V if enacted in 2013 H. F. No. 5/S. F. No. 1 to be offered through the Minnesota Insurance Marketplace.

Sec. 12. Minnesota Statutes 2012, section 62A.02, is amended by adding a subdivision to read:

Subd. 8. **Filing by health carriers for purposes of complying with the certification requirements of the Minnesota Insurance Marketplace.** No qualified health plan shall be offered through the Minnesota Insurance Marketplace until its form and the premium rates pertaining to the form have been approved by the commissioner of commerce or health, as appropriate, and the health plan has been determined to comply with the certification requirements of the Minnesota Insurance Marketplace in accordance with an agreement between the commissioners of commerce and health and the Minnesota Insurance Marketplace.

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

Sec. 13. Minnesota Statutes 2012, section 62A.03, subdivision 1, is amended to read:

Subdivision 1. **Conditions.** No policy of individual accident and sickness insurance may be delivered or issued for delivery to a person in this state unless:

(1) **Premium.** The entire money and other considerations therefor are expressed therein.

(2) **Time effective.** The time at which the insurance takes effect and terminates is expressed therein.

(3) **One person.** It purports to insure only one person, except that a policy may insure, originally or by subsequent amendment, upon the application of an adult member of a family deemed the policyholder, any two or more eligible members of that family, including:

(a) husband,

(b) wife,

(c) dependent children as described in sections 62A.302 and 62A.3021, or

(d) any children under a specified age of 19 years or less, or

(e) (d) any other person dependent upon the policyholder.

(4) **Appearance.** The style, arrangement, and overall appearance of the policy give no undue prominence to any portion of the text and every printed portion of the text of the policy and of any endorsements or attached papers is plainly printed in light-face type of a style in general use. The type size must be uniform and not less than ten point with a lowercase unspaced alphabet length not less than 120 point. The "text" includes all printed matter except the name and address of the insurer, name or title of the policy, the brief description, if any, the reference to renewal or cancellation by a separate statement, if any, and the captions and subcaptions.

(5) **Description of policy.** The policy, on the first page, indicates or refers to its provisions for renewal or cancellation either in the brief description, if any, or by a separate statement printed in type not smaller than the type used for captions or a separate provision bearing a caption which accurately describes the renewability or cancelability of the policy.

(6) **Exceptions in policy.** The exceptions and reductions of indemnity are set forth in the policy and, except those which are set forth in section 62A.04, printed, at the insurer's option, either with the benefit provision to which they apply, or under an appropriate caption such as "EXCEPTIONS" or "EXCEPTIONS AND REDUCTIONS." However, if an exception or reduction specifically applies only to a particular benefit of the policy, a statement of the exception or reduction must be included with the benefit provision to which it applies.

(7) **Form number.** Each form, including riders and endorsements, is identified by a form number in the lower left hand corner of the first page thereof.

(8) **No incorporation by reference.** It contains no provision purporting to make any portion of the charter, rules, constitution, or bylaws of the insurer a part of the policy unless the portion is set forth in full in the policy, except in the case of the incorporation of, or reference to, a statement of rates, classification of risks, or short rate table filed with the commissioner.

(9) **Medical benefits.** If the policy contains a provision for medical expense benefits, the term "medical benefits" or similar terms as used therein includes treatments by all licensed practitioners of the healing arts unless, subject to the qualifications contained in clause (10), the policy specifically states the practitioners whose services are covered.

(10) **Osteopath, optometrist, chiropractor, or registered nurse services.** With respect to any policy of individual accident and sickness insurance issued or entered into subsequent to August 1, 1974, notwithstanding the provisions of the policy, if it contains a provision providing for reimbursement for any service which is in the lawful scope of practice of a duly licensed osteopath, optometrist, chiropractor, or registered nurse meeting the requirements of section 62A.15, subdivision 3a, the person entitled to benefits or person performing services under the policy is entitled to reimbursement on an equal basis for the service, whether the service is performed by a physician, osteopath, optometrist, chiropractor, or registered nurse meeting the requirements of section 62A.15, subdivision 3a, licensed under the laws of this state.

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

Sec. 14. Minnesota Statutes 2012, section 62A.04, subdivision 2, is amended to read:

Subd. 2. **Required provisions.** Except as provided in subdivision 4 each such policy delivered or issued for delivery to any person in this state shall contain the provisions specified in this subdivision in the words in which the same appear in this section. The insurer may, at its option, substitute for one or more of such provisions corresponding provisions of different wording approved by the commissioner which are in each instance not less favorable in any respect to the insured or the beneficiary. Such provisions shall be preceded individually by the caption appearing in this subdivision or, at the option of the insurer, by such appropriate individual or group captions or subcaptions as the commissioner may approve.

(1) A provision as follows:

ENTIRE CONTRACT; CHANGES: This policy, including the endorsements and the attached papers, if any, constitutes the entire contract of insurance. No change in this policy shall be valid until approved by an executive officer of the insurer and unless such approval be endorsed hereon or attached hereto. No agent has authority to change this policy or to waive any of its provisions.

(2) A provision as follows:

TIME LIMIT ON CERTAIN DEFENSES: (a) After two years from the date of issue of this policy no misstatements, except fraudulent misstatements, made by the applicant in the application for such policy shall be used to void the policy or to deny a claim for loss incurred or disability (as defined in the policy) commencing after the expiration of such two year period.

The foregoing policy provision shall not be so construed as to affect any legal requirement for avoidance of a policy or denial of a claim during such initial two year period, nor to limit the application of clauses (1), (2), (3), (4) and (5), in the event of misstatement with respect to age or occupation or other insurance. A policy which the insured has the right to continue in force subject to its terms by the timely payment of premium (1) until at least age 50 or, (2) in the case of a policy issued after age 44, for at least five years from its date of issue, may contain in lieu of the foregoing the following provisions (from which the clause in parentheses may be omitted at the insurer's option) under the caption "INCONTESTABLE":

After this policy has been in force for a period of two years during the lifetime of the insured (excluding any period during which the insured is disabled), it shall become incontestable as to the statements contained in the application.

(b) No claim for loss incurred or disability (as defined in the policy) commencing after two years from the date of issue of this policy shall be reduced or denied on the ground that a disease or physical condition not excluded from coverage by name or specific description effective on the date of loss had existed prior to the effective date of coverage of this policy.

(3) Except as required for health plans offered through the Minnesota Insurance Marketplace, a provision as follows:

GRACE PERIOD: A grace period of ..... (insert a number not less than "7" for weekly premium policies, "10" for monthly premium policies and "31" for all other policies) days will be granted for the payment of each premium falling due after the first premium, during which grace period the policy shall continue in force.

A policy which contains a cancellation provision may add, at the end of the above provision,

subject to the right of the insurer to cancel in accordance with the cancellation provision hereof.

A policy in which the insurer reserves the right to refuse any renewal shall have, at the beginning of the above provision,

Unless not less than five days prior to the premium due date the insurer has delivered to the insured or has mailed to the insured's last address as shown by the records of the insurer written notice of its intention not to renew this policy beyond the period for which the premium has been accepted.

(b) All qualified health plans offered through the Minnesota Insurance Marketplace must comply with the Affordable Care Act by including a grace period provision no less restrictive than the grace period required by the Affordable Care Act.

(4) A provision as follows:

**REINSTATEMENT:** If any renewal premium be not paid within the time granted the insured for payment, a subsequent acceptance of premium by the insurer or by any agent duly authorized by the insurer to accept such premium, without requiring in connection therewith an application for reinstatement, shall reinstate the policy. If the insurer or such agent requires an application for reinstatement and issues a conditional receipt for the premium tendered, the policy will be reinstated upon approval of such application by the insurer or, lacking such approval, upon the forty-fifth day following the date of such conditional receipt unless the insurer has previously notified the insured in writing of its disapproval of such application. For health plans described in section 62A.011, subdivision 3, clause (10), an insurer must accept payment of a renewal premium and reinstate the policy, if the insured applies for reinstatement no later than 60 days after the due date for the premium payment, unless:

- (1) the insured has in the interim left the state or the insurer's service area; or
- (2) the insured has applied for reinstatement on two or more prior occasions.

The reinstated policy shall cover only loss resulting from such accidental injury as may be sustained after the date of reinstatement and loss due to such sickness as may begin more than ten days after such date. In all other respects the insured and insurer shall have the same rights thereunder as they had under the policy immediately before the due date of the defaulted premium, subject to any provisions endorsed hereon or attached hereto in connection with the reinstatement. Any premium accepted in connection with a reinstatement shall be applied to a period for which premium has not been previously paid, but not to any period more than 60 days prior to the date of reinstatement. The last sentence of the above provision may be omitted from any policy which the insured has the right to continue in force subject to its terms by the timely payment of premiums (1) until at least age 50, or, (2) in the case of a policy issued after age 44, for at least five years from its date of issue.

(5) A provision as follows:

**NOTICE OF CLAIM:** Written notice of claim must be given to the insurer within 20 days after the occurrence or commencement of any loss covered by the policy, or as soon thereafter as is reasonably possible. Notice given by or on behalf of the insured or the beneficiary to the insurer at .... (insert the location of such office as the insurer may designate for the purpose), or to any authorized agent of the insurer, with information sufficient to identify the insured, shall be deemed notice to the insurer.

In a policy providing a loss-of-time benefit which may be payable for at least two years, an insurer may at its option insert the following between the first and second sentences of the above provision:

Subject to the qualifications set forth below, if the insured suffers loss of time on account of disability for which indemnity may be payable for at least two years, the insured shall, at least once in every six months after having given notice of claim, give to the insurer notice of continuance of said disability, except in the event of legal incapacity. The period of six months following any filing of proof by the insured or any payment by the insurer on account of such claim or any denial of liability in whole or in part by the insurer shall be excluded in applying this provision. Delay in the giving of such notice shall not impair the insured's right to any indemnity which would otherwise have accrued during the period of six months preceding the date on which such notice is actually given.

(6) A provision as follows:

**CLAIM FORMS:** The insurer, upon receipt of a notice of claim, will furnish to the claimant such forms as are usually furnished by it for filing proofs of loss. If such forms are not furnished within 15 days after the giving of such notice the claimant shall be deemed to have complied with the requirements of this policy as to proof of loss upon submitting, within the time fixed in the policy for filing proofs of loss, written proof covering the occurrence, the character and the extent of the loss for which claim is made.

(7) A provision as follows:

**PROOFS OF LOSS:** Written proof of loss must be furnished to the insurer at its said office in case of claim for loss for which this policy provides any periodic payment contingent upon continuing loss within 90 days after the termination of the period for which the insurer is liable and in case of claim for any other loss within 90 days after the date of such loss. Failure to furnish such proof within the time required shall not invalidate nor reduce any claim if it was not reasonably possible to give proof within such time, provided such proof is furnished as soon as reasonably possible and in no event, except in the absence of legal capacity, later than one year from the time proof is otherwise required.

(8) A provision as follows:

**TIME OF PAYMENT OF CLAIMS:** Indemnities payable under this policy for any loss other than loss for which this policy provides periodic payment will be paid immediately upon receipt of due written proof of such loss. Subject to due written proof of loss, all accrued indemnities for loss for which this policy provides periodic payment will be paid ..... (insert period for payment which must not be less frequently than monthly) and any balance remaining unpaid upon the termination of liability will be paid immediately upon receipt of due written proof.

(9) A provision as follows:

**PAYMENT OF CLAIMS:** Indemnity for loss of life will be payable in accordance with the beneficiary designation and the provisions respecting such payment which may be prescribed herein and effective at the time of payment. If no such designation or provision is then effective, such indemnity shall be payable to the estate of the insured. Any other accrued indemnities unpaid at the insured's death may, at the option of the insurer, be paid either to such beneficiary or to such estate. All other indemnities will be payable to the insured.

The following provisions, or either of them, may be included with the foregoing provision at the option of the insurer:

If any indemnity of this policy shall be payable to the estate of the insured, or to an insured or beneficiary who is a minor or otherwise not competent to give a valid release, the insurer may pay such indemnity, up to an amount not exceeding \$..... (insert an amount which shall not exceed \$1,000), to any relative by blood or connection by marriage of the insured or beneficiary who is deemed by the insurer to be equitably entitled thereto. Any payment made by the insurer in good faith pursuant to this provision shall fully discharge the insurer to the extent of such payment.

Subject to any written direction of the insured in the application or otherwise all or a portion of any indemnities provided by this policy on account of hospital, nursing, medical, or surgical services may, at the insurer's option and unless the insured requests otherwise in writing not later than the time of filing proofs of such loss, be paid directly to the hospital or person rendering such services; but it is not required that the service be rendered by a particular hospital or person.

(10) A provision as follows:

**PHYSICAL EXAMINATIONS AND AUTOPSY:** The insurer at its own expense shall have the right and opportunity to examine the person of the insured when and as often as it may reasonably require during the pendency of a claim hereunder and to make an autopsy in case of death where it is not forbidden by law.

(11) A provision as follows:

**LEGAL ACTIONS:** No action at law or in equity shall be brought to recover on this policy prior to the expiration of 60 days after written proof of loss has been furnished in accordance with the requirements of this policy. No such action shall be brought after the expiration of three years after the time written proof of loss is required to be furnished.



(12) A provision as follows:

**CHANGE OF BENEFICIARY:** Unless the insured makes an irrevocable designation of beneficiary, the right to change of beneficiary is reserved to the insured and the consent of the beneficiary or beneficiaries shall not be requisite to surrender or assignment of this policy or to any change of beneficiary or beneficiaries, or to any other changes in this policy. The first clause of this provision, relating to the irrevocable designation of beneficiary, may be omitted at the insurer's option.

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

Sec. 15. Minnesota Statutes 2012, section 62A.047, is amended to read:

**62A.047 CHILDREN'S HEALTH SUPERVISION SERVICES AND PRENATAL CARE SERVICES.**

A policy of individual or group health and accident insurance regulated under this chapter, or individual or group subscriber contract regulated under chapter 62C, health maintenance contract regulated under chapter 62D, or health benefit certificate regulated under chapter 64B, issued, renewed, or continued to provide coverage to a Minnesota resident, must provide coverage for child health supervision services and prenatal care services. The policy, contract, or certificate must specifically exempt reasonable and customary charges for child health supervision services and prenatal care services from a deductible, co-payment, or other coinsurance or dollar limitation requirement. Nothing in this section prohibits a health carrier that has a network of providers from imposing a deductible, co-payment, or other coinsurance or dollar limitation requirement for child health supervision services and prenatal care services that are delivered by an out-of-network provider. This section does not prohibit the use of policy waiting periods ~~or preexisting condition limitations~~ for these services. Minimum benefits may be limited to one visit payable to one provider for all of the services provided at each visit cited in this section subject to the schedule set forth in this section. Nothing in this section applies to a policy designed primarily to provide coverage payable on a per diem, fixed indemnity, or non-expense-incurred basis, or a policy that provides only accident coverage. A policy, contract, or certificate described under this section may not apply preexisting condition limitations to individuals under 19 years of age. This section does not apply to individual coverage under a grandfathered plan.

"Child health supervision services" means pediatric preventive services, appropriate immunizations, developmental assessments, and laboratory services appropriate to the age of a child from birth to age six, and appropriate immunizations from ages six to 18, as defined by Standards of Child Health Care issued by the American Academy of Pediatrics. Reimbursement must be made for at least five child health supervision visits from birth to 12 months, three child health supervision visits from 12 months to 24 months, once a year from 24 months to 72 months.

"Prenatal care services" means the comprehensive package of medical and psychosocial support provided throughout the pregnancy, including risk assessment, serial surveillance, prenatal education, and use of specialized skills and technology, when needed, as defined by Standards for Obstetric-Gynecologic Services issued by the American College of Obstetricians and Gynecologists.

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

Sec. 16. Minnesota Statutes 2012, section 62A.049, is amended to read:

**62A.049 LIMITATION ON PREAUTHORIZATIONS; EMERGENCIES.**

No policy of accident and sickness insurance or group subscriber contract regulated under chapter 62C issued or renewed in this state may contain a provision that makes an insured person ineligible to receive full benefits because of the insured's failure to obtain preauthorization, if that failure occurs because of the need for emergency

confinement or emergency treatment. The insured or an authorized representative of the insured shall notify the insurer as soon after the beginning of emergency confinement or emergency treatment as reasonably possible. However, to the extent that the insurer suffers actual prejudice caused by the failure to obtain preauthorization, the insured may be denied all or part of the insured's benefits. ~~This provision does not apply to admissions for treatment of chemical dependency and nervous and mental disorders.~~

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

Sec. 17. Minnesota Statutes 2012, section 62A.136, is amended to read:

**62A.136 HEARING, DENTAL, AND VISION PLAN COVERAGE.**

The following provisions do not apply to health plans as defined in section 62A.011, subdivision 3, clause (6), providing hearing, dental, or vision coverage only: sections 62A.041; 62A.0411; 62A.047; 62A.149; 62A.151; 62A.152; 62A.154; 62A.155; 62A.17, subdivision 6; 62A.21, subdivision 2b; 62A.26; 62A.28; 62A.285; 62A.30; 62A.304; and 62A.3093; ~~and 62E.16.~~

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

Sec. 18. Minnesota Statutes 2012, section 62A.149, subdivision 1, is amended to read:

Subdivision 1. **Application.** The provisions of this section apply to all group policies of accident and health insurance and group subscriber contracts offered by nonprofit health service plan corporations regulated under chapter 62C, and to a plan or policy that is individually underwritten or provided for a specific individual and family members as a nongroup policy ~~unless the individual elects in writing to refuse benefits under this subdivision in exchange for an appropriate reduction in premiums or subscriber charges under the policy or plan,~~ when the policies or subscriber contracts are issued or delivered in Minnesota or provide benefits to Minnesota residents enrolled thereunder.

This section does not apply to policies designed primarily to provide coverage payable on a per diem, fixed indemnity or nonexpense incurred basis or policies that provide accident only coverage.

Every insurance policy or subscriber contract included within the provisions of this subdivision, upon issuance or renewal, shall provide coverage that complies with the requirements of section 62Q.47, paragraphs (b) and (c), for the treatment of alcoholism, chemical dependency or drug addiction to any Minnesota resident entitled to coverage.

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

Sec. 19. Minnesota Statutes 2012, section 62A.17, subdivision 2, is amended to read:

Subd. 2. **Responsibility of employee.** Every covered employee electing to continue coverage shall pay the former employer, on a monthly basis, the cost of the continued coverage. The policy, contract, or plan must require the group policyholder or contract holder to, upon request, provide the employee with written verification from the insurer of the cost of this coverage promptly at the time of eligibility for this coverage and at any time during the continuation period. If the policy, contract, or health care plan is administered by a trust, every covered employee electing to continue coverage shall pay the trust the cost of continued coverage according to the eligibility rules established by the trust. In no event shall the amount of premium charged exceed 102 percent of the cost to the plan for such period of coverage for similarly situated employees with respect to whom neither termination nor layoff has occurred, without regard to whether such cost is paid by the employer or employee. The employee shall be eligible to continue the coverage until the employee becomes covered under another group health plan, or for a period of 18 months after the termination of or lay off from employment, whichever is shorter. For an individual age 19 or older,

if the employee becomes covered under another group policy, contract, or health plan and the new group policy, contract, or health plan contains any preexisting condition limitations, the employee may, subject to the 18-month maximum continuation limit, continue coverage with the former employer until the preexisting condition limitations have been satisfied. The new policy, contract, or health plan is primary except as to the preexisting condition. In the case of a newborn child who is a dependent of the employee, the new policy, contract, or health plan is primary upon the date of birth of the child, regardless of which policy, contract, or health plan coverage is deemed primary for the mother of the child.

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

Sec. 20. Minnesota Statutes 2012, section 62A.17, subdivision 6, is amended to read:

~~Subd. 6. **Conversion to individual policy.** A group insurance policy that provides posttermination or layoff coverage as required by this section shall also include a provision allowing a covered employee, surviving spouse, or dependent at the expiration of the posttermination or layoff coverage provided by subdivision 2 to obtain from the insurer offering the group policy or group subscriber contract, at the employee's, spouse's, or dependent's option and expense, without further evidence of insurability and without interruption of coverage, an individual policy of insurance or an individual subscriber contract providing at least the minimum benefits of a qualified plan as prescribed by section 62E.06 and the option of a number three qualified plan, a number two qualified plan, and a number one qualified plan as provided by section 62E.06, subdivisions 1 to 3, provided application is made to the insurer within 30 days following notice of the expiration of the continued coverage and upon payment of the appropriate premium. The required conversion contract must treat pregnancy the same as any other covered illness under the conversion contract. A health maintenance contract issued by a health maintenance organization that provides posttermination or layoff coverage as required by this section shall also include a provision allowing a former employee, surviving spouse, or dependent at the expiration of the posttermination or layoff coverage provided in subdivision 2 to obtain from the health maintenance organization, at the former employee's, spouse's, or dependent's option and expense, without further evidence of insurability and without interruption of coverage, an individual health maintenance contract. Effective January 1, 1985, enrollees who have become nonresidents of the health maintenance organization's service area shall be given the option, to be arranged by the health maintenance organization, of a number three qualified plan, a number two qualified plan, or a number one qualified plan as provided by section 62E.06, subdivisions 1 to 3. This option shall be made available at the enrollee's expense, without further evidence of insurability and without interruption of coverage.~~

~~A policy providing reduced benefits at a reduced premium rate may be accepted by the employee, the spouse, or a dependent in lieu of the optional coverage otherwise required by this subdivision.~~

~~The An individual policy or contract issued as a conversion policy prior to January 1, 2014, shall be renewable at the option of the individual as long as the individual is not covered under another qualified plan as defined in section 62E.02, subdivision 4. Any revisions in the table of rate for the individual policy shall apply to the covered person's original age at entry and shall apply equally to all similar conversion policies issued by the insurer.~~

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

Sec. 21. Minnesota Statutes 2012, section 62A.21, subdivision 2b, is amended to read:

~~Subd. 2b. **Conversion privilege.** Every policy described in subdivision 1 shall contain a provision allowing a former spouse and dependent children of an insured, without providing evidence of insurability, to obtain from the insurer at the expiration of any continuation of coverage required under subdivision 2a or sections 62A.146 and 62A.20, conversion coverage providing at least the minimum benefits of a qualified plan as prescribed by section 62E.06 and the option of a number three qualified plan, a number two qualified plan, a number one qualified plan as provided by section 62E.06, subdivisions 1 to 3, provided application is made to the insurer within 30 days~~

~~following notice of the expiration of the continued coverage and upon payment of the appropriate premium. The An individual policy or contract issued as a conversion policy prior to January 1, 2014 shall be renewable at the option of the covered person as long as the covered person is not covered under another qualified plan as defined in section 62E.02, subdivision 4. Any revisions in the table of rate for the individual policy shall apply to the covered person's original age at entry and shall apply equally to all similar conversion policies issued by the insurer.~~

~~A policy providing reduced benefits at a reduced premium rate may be accepted by the covered person in lieu of the optional coverage otherwise required by this subdivision.~~

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

Sec. 22. Minnesota Statutes 2012, section 62A.28, subdivision 2, is amended to read:

Subd. 2. **Required coverage.** Every policy, plan, certificate, or contract referred to in subdivision 1 issued or renewed after August 1, 1987, must provide coverage for scalp hair prostheses worn for hair loss suffered as a result of alopecia areata.

The coverage required by this section is subject to the co-payment, coinsurance, deductible, and other enrollee cost-sharing requirements that apply to similar types of items under the policy, plan, certificate, or contract, ~~and is limited to a maximum of \$350 in any benefit year and may be limited to one prosthesis per benefit year.~~

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

Sec. 23. Minnesota Statutes 2012, section 62A.302, is amended to read:

**62A.302 COVERAGE OF DEPENDENTS.**

Subdivision 1. **Scope of coverage.** This section applies to:

- (1) a health plan as defined in section 62A.011; and
- ~~(2) coverage described in section 62A.011, subdivision 3, clauses (4), (6), (7), (8), (9), and (10); and~~
- ~~(3)~~ (2) a policy, contract, or certificate issued by a community integrated service network licensed under chapter 62N.

Subd. 2. **Required coverage.** Every health plan included in subdivision 1 that provides dependent coverage must define "dependent" no more restrictively than the definition provided in section 62L.02, subdivision 11.

**Subd. 3. No additional restrictions permitted.** Any health plan included in subdivision 1 that provides dependent coverage of children shall make that coverage available to children until the child attains 26 years of age. A health carrier must not place restrictions on this coverage and must comply with the following requirements:

(1) with respect to a child who has not attained 26 years of age, a health carrier shall not define dependent for purposes of eligibility for dependent coverage of children other than the terms of a relationship between a child and the enrollee or spouse of the enrollee;

(2) a health carrier must not deny or restrict coverage for a child who has not attained 26 years of age based on (i) the presence or absence of the child's financial dependency upon the participant, primary subscriber, or any other person; (ii) residency with the participant and in the individual market the primary subscriber, or with any other person; (iii) marital status; (iv) student status; (v) employment; or (vi) any combination of those factors; and

(3) a health carrier must not deny or restrict coverage of a child based on eligibility for other coverage, except as provided in subdivision 5.

Subd. 4. **Grandchildren.** Nothing in this section requires a health carrier to make coverage available for a grandchild, unless the grandparent becomes the legal guardian or adoptive parent of that grandchild or unless the grandchild meets the requirements of section 62A.042. For grandchildren included under a grandparent's policy pursuant to section 62A.042, coverage for the grandchild may terminate if the grandchild does not continue to reside with the covered grandparent continuously from birth, if the grandchild does not remain financially dependent upon the covered grandparent, or when the grandchild reaches age 25, except as provided in section 62A.14 or if coverage is continued under section 62A.20.

Subd. 5. **Terms of coverage of dependents.** The terms of coverage in a health plan offered by a health carrier providing dependent coverage of children cannot vary based on age except for children who are 26 years of age or older.

Subd. 6. **Opportunity to enroll.** A health carrier must comply with all provisions of the Affordable Care Act in regards to providing an opportunity to enroll in coverage to any child whose coverage ended, or was not eligible for coverage under a group health plan or individual health plan because, under the terms of the coverage, the availability of dependent coverage of a child ended before age 26. This section does not require compliance with any provision of the Affordable Care Act before the effective date provided for that provision in the Affordable Care Act. The commissioner shall enforce this section.

Subd. 7. **Grandfathered plan coverage.** (a) For plan years beginning before January 1, 2014, a group health plan that is a grandfathered plan and makes available dependent coverage of children may exclude an adult child who has not attained 26 years of age from coverage only if the adult child is eligible to enroll in an eligible employer-sponsored health benefit plan, as defined in section 5000A(f)(2) of the Internal Revenue Code, other than the group health plan of a parent.

(b) For plan years beginning on or after January 1, 2014, a group health plan that is grandfathered plan coverage shall comply with all requirements of this section.

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

**Sec. 24. [62A.3021] COVERAGE OF DEPENDENTS BY PLANS OTHER THAN HEALTH PLANS.**

Subdivision 1. **Scope of coverage.** This section applies to coverage described in section 62A.011, subdivision 3, clauses (4), (6), (7), (8), (9), and (10).

Subd. 2. **Dependent.** "Dependent" means an eligible employee's spouse, unmarried child who is under the age of 25 years, dependent child of any age who is disabled and who meets the eligibility criteria in section 62A.14, subdivision 2, or any other person whom state or federal law requires to be treated as a dependent for purposes of health plans. For the purpose of this definition, a child includes a child for whom the employee or the employee's spouse has been appointed legal guardian and an adoptive child as provided in section 62A.27. A child also includes grandchildren as provided in section 62A.042 with continued eligibility of grandchildren as provided in section 62A.302, subdivision 4.

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

Sec. 25. Minnesota Statutes 2012, section 62A.615, is amended to read:

**62A.615 PREEXISTING CONDITIONS DISCLOSED AT TIME OF APPLICATION.**

No insurer may cancel or rescind a health insurance policy for a preexisting condition of which the application or other information provided by the insured reasonably gave the insurer notice. No insurer may restrict coverage for a preexisting condition of which the application or other information provided by the insured reasonably gave the

insurer notice unless the coverage is restricted at the time the policy is issued and the restriction is disclosed in writing to the insured at the time the policy is issued. In addition, no health plan may restrict coverage for a preexisting condition for an individual who is under 19 years of age. This section does not apply to individual health plans that are grandfathered plans.

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

Sec. 26. Minnesota Statutes 2012, section 62A.65, subdivision 3, is amended to read:

Subd. 3. **Premium rate restrictions.** No individual health plan may be offered, sold, issued, or renewed to a Minnesota resident unless the premium rate charged is determined in accordance with the following requirements:

~~(a) Premium rates must be no more than 25 percent above and no more than 25 percent below the index rate charged to individuals for the same or similar coverage, adjusted pro rata for rating periods of less than one year. The premium variations permitted by this paragraph must be based only upon health status, claims experience, and occupation. For purposes of this paragraph, health status includes refraining from tobacco use or other actuarially valid lifestyle factors associated with good health, provided that the lifestyle factor and its effect upon premium rates have been determined by the commissioner to be actuarially valid and have been approved by the commissioner. Variations permitted under this paragraph must not be based upon age or applied differently at different ages. This paragraph does not prohibit use of a constant percentage adjustment for factors permitted to be used under this paragraph.~~

~~(b) (a) Premium rates may vary based upon the ages of covered persons only as provided in this paragraph. In addition to the variation permitted under paragraph (a), each health carrier may use an additional premium variation based upon age of up to plus or minus 50 percent of the index rate in accordance with the provisions of the Affordable Care Act.~~

~~(c) A health carrier may request approval by the commissioner to establish separate geographic regions determined by the health carrier and to establish separate index rates for each such region.~~

~~(b) Premium rates may vary based upon geographic rating area. The commissioner shall grant approval if the following conditions are met:~~

~~(1) the geographic regions must be applied uniformly by the health carrier the areas are established in accordance with the Affordable Care Act;~~

~~(2) each geographic region must be composed of no fewer than seven counties that create a contiguous region; and~~

~~(3) the health carrier provides actuarial justification acceptable to the commissioner for the proposed geographic variations in index rates premium rates for each area, establishing that the variations are based upon differences in the cost to the health carrier of providing coverage.~~

~~(d) Health carriers may use rate cells and must file with the commissioner the rate cells they use. Rate cells must be based upon the number of adults or children covered under the policy and may reflect the availability of Medicare coverage. The rates for different rate cells must not in any way reflect generalized differences in expected costs between principal insureds and their spouses.~~

~~(c) Premium rates may vary based upon tobacco use, in accordance with the provisions of the Affordable Care Act.~~

~~(e) (d) In developing its index rates and premiums for a health plan, a health carrier shall take into account only the following factors:~~

~~(1) actuarially valid differences in rating factors permitted under paragraphs (a) and ~~(b)~~ (c); and~~

(2) actuarially valid geographic variations if approved by the commissioner as provided in paragraph ~~(e)~~ (b).

(e) The premium charged with respect to any particular individual health plan shall not be adjusted more frequently than annually or January 1 of the year following initial enrollment, except that the premium rates may be changed to reflect:

(1) changes to the family composition of the policyholder;

(2) changes in geographic rating area of the policyholder, as provided in paragraph (b);

(3) changes in age, as provided in paragraph (a);

(4) changes in tobacco use, as provided in paragraph (c);

(5) transfer to a new health plan requested by the policyholder; or

(6) other changes required by or otherwise expressly permitted by state or federal law or regulations.

(f) A health carrier shall consider all enrollees in all health plans, other than short-term and grandfathered plan coverage, offered by the health carrier in the individual market, including those enrollees who enroll in qualified health plans offered through the Minnesota Insurance Marketplace to be members of a single risk pool.

(g) The commissioner may establish regulations to implement the provisions of this section.

(h) In connection with the offering for sale of a health plan in the individual market, a health carrier shall make a reasonable disclosure, as part of its solicitation and sales materials, of all of the following:

(1) the provisions of the coverage concerning the health carrier's right to change premium rates and the factors that may affect changes in premium rates; and

(2) a listing of and descriptive information, including benefits and premiums, about all individual health plans offered by the health carrier and the availability of the individual health plans for which the individual is qualified.

(i) All premium variations must be justified in initial rate filings and upon request of the commissioner in rate revision filings. All rate variations are subject to approval by the commissioner.

~~(g)~~ (j) The loss ratio must comply with the section 62A.021 requirements for individual health plans.

~~(h)~~ (k) The rates must not be approved, unless the commissioner has determined that the rates are reasonable. In determining reasonableness, the commissioner shall consider the growth rates applied under section 62J.04, subdivision 1, paragraph (b), to the calendar year or years that the proposed premium rate would be in effect; and actuarially valid changes in risks associated with the enrollee populations, and actuarially valid changes as a result of statutory changes in Laws 1992, chapter 549.

~~(i)~~ (l) An insurer may, as part of a minimum lifetime loss ratio guarantee filing under section 62A.02, subdivision 3a, include a rating practices guarantee as provided in this paragraph. The rating practices guarantee must be in writing and must guarantee that the policy form will be offered, sold, issued, and renewed only with premium rates and premium rating practices that comply with subdivisions 2, 3, 4, and 5. The rating practices guarantee must be accompanied by an actuarial memorandum that demonstrates that the premium rates and premium rating system used in connection with the policy form will satisfy the guarantee. The guarantee must guarantee refunds of any excess premiums to policyholders charged premiums that exceed those permitted under subdivision 2, 3, 4, or 5. An insurer that complies with this paragraph in connection with a policy form is exempt from the requirement of prior approval by the commissioner under paragraphs (c), (f), and (h).

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

Sec. 27. Minnesota Statutes 2012, section 62A.65, subdivision 5, is amended to read:

Subd. 5. **Portability and conversion of coverage.** (a) ~~For plan years beginning on or after January 1, 2014, no individual health plan may be offered, sold, issued, or with respect to children age 18 or under renewed, to a Minnesota resident that contains a preexisting condition limitation, preexisting condition exclusion, or exclusionary rider, unless the limitation or exclusion is permitted under this subdivision and under chapter 62L, provided that, except for children age 18 or under, underwriting restrictions may be retained on individual contracts that are issued without evidence of insurability as a replacement for prior individual coverage that was sold before May 17, 1993. The~~ An individual age 19 or older may be subjected to an 18-month preexisting condition limitation during plan years beginning prior to January 1, 2014, unless the individual has maintained continuous coverage as defined in section 62L.02. The individual must not be subjected to an exclusionary rider. During plan years beginning prior to January 1, 2014, an individual who is age 19 or older and who has maintained continuous coverage may be subjected to a onetime preexisting condition limitation of up to 12 months, with credit for time covered under qualifying coverage as defined in section 62L.02, at the time that the individual first is covered under an individual health plan by any health carrier. Credit must be given for all qualifying coverage with respect to all preexisting conditions, regardless of whether the conditions were preexisting with respect to any previous qualifying coverage. The individual must not be subjected to an exclusionary rider. Thereafter, the individual who is age 19 or older must not be subject to any preexisting condition limitation, preexisting condition exclusion, or exclusionary rider under an individual health plan by any health carrier, except an unexpired portion of a limitation under prior coverage, so long as the individual maintains continuous coverage as defined in section 62L.02. The prohibition on preexisting condition limitations for children age 18 or under does not apply to individual health plans that are grandfathered plans. The prohibition on preexisting condition limitations for adults age 19 and over beginning for plan years on or after January 1, 2014 does not apply to individual health plans that are grandfathered plans.

(b) A health carrier must offer an individual health plan to any individual previously covered under a group health plan issued by that health carrier, regardless of the size of the group, so long as the individual maintained continuous coverage as defined in section 62L.02. If the individual has available any continuation coverage provided under sections 62A.146; 62A.148; 62A.17, subdivisions 1 and 2; 62A.20; 62A.21; 62C.142; 62D.101; or 62D.105, or continuation coverage provided under federal law, the health carrier need not offer coverage under this paragraph until the individual has exhausted the continuation coverage. The offer must not be subject to underwriting, except as permitted under this paragraph. A health plan issued under this paragraph must be a qualified plan as defined in section 62E.02 and must not contain any preexisting condition limitation, preexisting condition exclusion, or exclusionary rider, except for any unexpired limitation or exclusion under the previous coverage. The individual health plan must cover pregnancy on the same basis as any other covered illness under the individual health plan. The offer of coverage by the health carrier must inform the individual that the coverage, including what is covered and the health care providers from whom covered care may be obtained, may not be the same as the individual's coverage under the group health plan. The offer of coverage by the health carrier must also inform the individual that the individual, if a Minnesota resident, may be eligible to obtain coverage from (i) other private sources of health coverage, or (ii) the Minnesota Comprehensive Health Association, without a preexisting condition limitation, and must provide the telephone number used by that association for enrollment purposes. The initial premium rate for the individual health plan must comply with subdivision 3. The premium rate upon renewal must comply with subdivision 2. In no event shall the premium rate exceed 100 percent of the premium charged for comparable individual coverage by the Minnesota Comprehensive Health Association, and the premium rate must be less than that amount if necessary to otherwise comply with this section. ~~An individual health plan offered under this paragraph to a person satisfies the health carrier's obligation to offer conversion coverage under section 62E.16, with respect to that person.~~ Coverage issued under this paragraph must provide that it cannot be canceled or nonrenewed as a result of the health carrier's subsequent decision to leave the individual, small employer, or other group market. Section 72A.20, subdivision 28, applies to this paragraph.

**EFFECTIVE DATE.** This section is effective the day following final enactment, except that the amendment made to paragraph (b) is effective January 1, 2014.



Sec. 28. Minnesota Statutes 2012, section 62A.65, subdivision 6, is amended to read:

Subd. 6. **Guaranteed issue ~~not~~ required.** (a) Nothing in this section requires a health carrier to initially issue a health plan to a Minnesota resident who is age 19 or older on the date the health plan becomes effective if the effective date is prior to January 1, 2014, except as otherwise expressly provided in subdivision 4 or 5.

(b) Guaranteed issue is required for all health plans, except grandfathered plans, beginning January 1, 2014.

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

Sec. 29. Minnesota Statutes 2012, section 62A.65, subdivision 7, is amended to read:

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

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

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

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

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

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

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

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

~~(e) Time spent under short term coverage counts as time spent under a preexisting condition limitation for purposes of group or individual health plans, other than short term coverage, subsequently issued to that person, or to cover that person, by any health carrier, if the person maintains continuous coverage as defined in section 62L.02. Short term coverage is a health plan and is qualifying coverage as defined in section 62L.02. Notwithstanding any other law to the contrary, a health carrier is not required under any circumstances to provide a person covered by short term coverage the right to obtain coverage on a guaranteed issue basis under another health plan offered by the health carrier, as a result of the person's enrollment in short term coverage.~~

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

Sec. 30. **[62A.67] ESSENTIAL HEALTH BENEFIT PACKAGE REQUIREMENTS.**

Subdivision 1. **Essential health benefits package.** (a) Health carriers offering an individual health plan must include the essential health benefits package as required under the Affordable Care Act, and as described in this subdivision.

(b) The essential health benefits package means coverage that:

(1) provides essential health benefits as outlined in the Affordable Care Act;

(2) limits cost-sharing for such coverage in accordance with the Affordable Care Act; and

(3) subject to subdivision 3, provides bronze, silver, gold, or platinum level of coverage described in the Affordable Care Act.

Subd. 2. **Coverage for enrollees under the age of 21.** If a health carrier offers health coverage in any level specified under section 1302(d) of the Affordable Care Act, as described in subdivision 1, clause (3), the carrier shall also offer coverage in that level in a health plan in which the only enrollees are children who, as of the beginning of a policy year, have not attained the age of 21 years.

Subd. 3. **Alternative compliance for catastrophic plans.** A health carrier not providing a bronze, silver, gold, or platinum level of coverage, as described in subdivision 1, paragraph (b), clause (3), shall be treated as meeting the requirements of the Affordable Care Act with respect to any policy year if the health carrier provides a catastrophic plan that meets the requirements of the Affordable Care Act.

Subd. 4. **Essential health benefits; definition.** For purposes of this section, "essential health benefits" has the meaning given under the Affordable Care Act, and include:

(1) ambulatory patient services;

(2) emergency services;

(3) hospitalization;

(4) laboratory services;

(5) maternity and newborn care;

(6) mental health and substance abuse disorder services, including behavioral health treatment;

(7) pediatric services, including oral and vision care;

(8) prescription drugs;

(9) preventative and wellness services and chronic disease management;

(10) rehabilitative and habilitative services and devices; and

(11) other services defined as essential health benefits under the Affordable Care Act.

**Subd. 5. Exception.** This section does not apply to a dental plan as described in the Affordable Care Act.

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

Sec. 31. Minnesota Statutes 2012, section 62C.14, subdivision 5, is amended to read:

Subd. 5. **Disabled dependents.** A subscriber's individual contract or any group contract delivered or issued for delivery in this state and providing that coverage of a dependent child of the subscriber or a dependent child of a covered group member shall terminate upon attainment of a specified limiting age as defined in section 62Q.01, subdivision 9, shall also provide in substance that attainment of that age shall not terminate coverage while the child is (a) incapable of self-sustaining employment by reason of developmental disability, mental illness or disorder, or physical disability, and (b) chiefly dependent upon the subscriber or employee for support and maintenance, provided proof of incapacity and dependency is furnished by the subscriber within 31 days of attainment of the limiting age as defined in section 62Q.01, subdivision 9, and subsequently as required by the corporation, but not more frequently than annually after a two-year period following attainment of the age. Any notice regarding termination of coverage due to attainment of the limiting age must include information about this provision.

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

Sec. 32. Minnesota Statutes 2012, section 62C.142, subdivision 2, is amended to read:

Subd. 2. **Conversion privilege.** ~~Every subscriber contract, other than a contract whose continuance is contingent upon continued employment or membership, which contains a provision for termination of coverage of the spouse upon dissolution of marriage shall contain a provision allowing a former spouse and dependent children of a subscriber, without providing evidence of insurability, to obtain from the corporation at the expiration of any continuation of coverage required under subdivision 2a or section 62A.146, or upon termination of coverage by reason of an entry of a valid decree of dissolution which does not require the insured to provide continued coverage for the former spouse, an individual subscriber contract providing at least the minimum benefits of a qualified plan as prescribed by section 62E.06 and the option of a number three qualified plan, a number two qualified plan, a number one qualified plan as provided by section 62E.06, subdivisions 1 to 3, provided application is made to the corporation within 30 days following notice of the expiration of the continued coverage and upon payment of the appropriate fee. A subscriber contract providing reduced benefits at a reduced fee may be accepted by the former spouse and dependent children in lieu of the optional coverage otherwise required by this subdivision. The An individual subscriber contract issued as conversion coverage shall be renewable at the option of the former spouse as long as the former spouse is not covered under another qualified plan as defined in section 62E.02, subdivision 4. Any revisions in the table of rate for the individual subscriber contract shall apply to the former spouse's original age at entry and shall apply equally to all similar contracts issued as conversion coverage by the corporation.~~

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

Sec. 33. Minnesota Statutes 2012, section 62D.07, subdivision 3, is amended to read:

Subd. 3. **Required provisions.** Contracts and evidences of coverage shall contain:

(a) no provisions or statements which are unjust, unfair, inequitable, misleading, deceptive, or which are untrue, misleading, or deceptive as defined in section 62D.12, subdivision 1;

(b) a clear, concise and complete statement of:

(1) the health care services and the insurance or other benefits, if any, to which the enrollee is entitled under the health maintenance contract;

(2) any exclusions or limitations on the services, kind of services, benefits, or kind of benefits, to be provided, including any deductible or co-payment feature and requirements for referrals, prior authorizations, and second opinions;

(3) where and in what manner information is available as to how services, including emergency and out of area services, may be obtained;

(4) the total amount of payment and co-payment, if any, for health care services and the indemnity or service benefits, if any, which the enrollee is obligated to pay with respect to individual contracts, or an indication whether the plan is contributory or noncontributory with respect to group certificates; and

(5) a description of the health maintenance organization's method for resolving enrollee complaints and a statement identifying the commissioner as an external source with whom complaints may be registered; and

(c) on the cover page of the evidence of coverage and contract, a clear and complete statement of enrollees' rights. The statement must be in bold print and captioned "Important Enrollee Information and Enrollee Bill of Rights" and must include but not be limited to the following provisions in the following language or in substantially similar language approved in advance by the commissioner, except that paragraph (8) does not apply to prepaid health plans providing coverage for programs administered by the commissioner of human services:

#### ENROLLEE INFORMATION

(1) **COVERED SERVICES:** Services provided by (name of health maintenance organization) will be covered only if services are provided by participating (name of health maintenance organization) providers or authorized by (name of health maintenance organization). Your contract fully defines what services are covered and describes procedures you must follow to obtain coverage.

(2) **PROVIDERS:** Enrolling in (name of health maintenance organization) does not guarantee services by a particular provider on the list of providers. When a provider is no longer part of (name of health maintenance organization), you must choose among remaining (name of the health maintenance organization) providers.

(3) **REFERRALS:** Certain services are covered only upon referral. See section (section number) of your contract for referral requirements. All referrals to non-(name of health maintenance organization) providers and certain types of health care providers must be authorized by (name of health maintenance organization).

(4) **EMERGENCY SERVICES:** Emergency services from providers who are not affiliated with (name of health maintenance organization) will be covered ~~only if proper procedures are followed~~. Your contract explains the procedures and benefits associated with emergency care from (name of health maintenance organization) and non-(name of health maintenance organization) providers.

(5) **EXCLUSIONS:** Certain services or medical supplies are not covered. You should read the contract for a detailed explanation of all exclusions.

(6) **CONTINUATION:** You may convert to an individual health maintenance organization contract or continue coverage under certain circumstances. These continuation and conversion rights are explained fully in your contract.

(7) CANCELLATION: Your coverage may be canceled by you or (name of health maintenance organization) only under certain conditions. Your contract describes all reasons for cancellation of coverage.

(8) NEWBORN COVERAGE: If your health plan provides for dependent coverage, a newborn infant is covered from birth, but only if services are provided by participating (name of health maintenance organization) providers or authorized by (name of health maintenance organization). Certain services are covered only upon referral. (Name of health maintenance organization) will not automatically know of the infant's birth or that you would like coverage under your plan. You should notify (name of health maintenance organization) of the infant's birth and that you would like coverage. If your contract requires an additional premium for each dependent, (name of health maintenance organization) is entitled to all premiums due from the time of the infant's birth until the time you notify (name of health maintenance organization) of the birth. (Name of health maintenance organization) may withhold payment of any health benefits for the newborn infant until any premiums you owe are paid.

(9) PRESCRIPTION DRUGS AND MEDICAL EQUIPMENT: Enrolling in (name of health maintenance organization) does not guarantee that any particular prescription drug will be available nor that any particular piece of medical equipment will be available, even if the drug or equipment is available at the start of the contract year.

#### ENROLLEE BILL OF RIGHTS

(1) Enrollees have the right to available and accessible services including emergency services, as defined in your contract, 24 hours a day and seven days a week;

(2) Enrollees have the right to be informed of health problems, and to receive information regarding treatment alternatives and risks which is sufficient to assure informed choice;

(3) Enrollees have the right to refuse treatment, and the right to privacy of medical and financial records maintained by the health maintenance organization and its health care providers, in accordance with existing law;

(4) Enrollees have the right to file a complaint with the health maintenance organization and the commissioner of health and the right to initiate a legal proceeding when experiencing a problem with the health maintenance organization or its health care providers;

(5) Enrollees have the right to a grace period of 31 days for the payment of each premium for an individual health maintenance contract falling due after the first premium during which period the contract shall continue in force;

(6) Medicare enrollees have the right to voluntarily disenroll from the health maintenance organization and the right not to be requested or encouraged to disenroll except in circumstances specified in federal law; and

(7) Medicare enrollees have the right to a clear description of nursing home and home care benefits covered by the health maintenance organization.

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

Sec. 34. Minnesota Statutes 2012, section 62D.095, is amended to read:

#### **62D.095 ENROLLEE COST SHARING.**

Subdivision 1. **General application.** A health maintenance contract may contain enrollee cost-sharing provisions as specified in this section. Co-payment and deductible provisions in a group contract must not discriminate on the basis of age, sex, race, disability, economic status, or length of enrollment in the health plan. During an open enrollment period in which all offered health plans fully participate without any underwriting restrictions, co-payment and deductible provisions must not discriminate on the basis of preexisting health status.

Subd. 2. **Co-payments.** ~~(a) A health maintenance contract may impose a co-payment as authorized under Minnesota Rules, part 4685.0801, or under this section and coinsurance consistent with the provisions of the Affordable Care Act as defined under section 62A.011, subdivision 1a.~~

~~(b) A health maintenance organization may impose a flat fee co-payment on outpatient office visits not to exceed 40 percent of the median provider's charges for similar services or goods received by the enrollees as calculated under Minnesota Rules, part 4685.0801. A health maintenance organization may impose a flat fee co-payment on outpatient prescription drugs not to exceed 50 percent of the median provider's charges for similar services or goods received by the enrollees as calculated under Minnesota Rules, part 4685.0801.~~

~~(c) If a health maintenance contract is permitted to impose a co-payment for preexisting health status under sections 62D.01 to 62D.30, these provisions may vary with respect to length of enrollment in the health plan.~~

Subd. 3. **Deductibles.** ~~(a) A health maintenance contract issued by a health maintenance organization that is assessed less than three percent of the total annual amount assessed by the Minnesota comprehensive health association may impose deductibles not to exceed \$3,000 per person, per year and \$6,000 per family, per year. For purposes of the percentage calculation, a health maintenance organization's assessments include those of its affiliates may impose a deductible consistent with the provisions of the Affordable Care Act as defined under section 62A.011, subdivision 1a.~~

~~(b) All other health maintenance contracts may impose deductibles not to exceed \$2,250 per person, per year and \$4,500 per family, per year.~~

Subd. 4. **Annual out-of-pocket maximums.** ~~(a) A health maintenance contract issued by a health maintenance organization that is assessed less than three percent of the total annual amount assessed by the Minnesota comprehensive health association must include a limitation not to exceed \$4,500 per person and \$7,500 per family on total annual out of pocket enrollee cost sharing expenses. For purposes of the percentage calculation, a health maintenance organization's assessments include those of its affiliates may impose an annual out-of-pocket maximum consistent with the provisions of the Affordable Care Act as defined under section 62A.011, subdivision 1a.~~

~~(b) All other health maintenance contracts must include a limitation not to exceed \$3,000 per person and \$6,000 per family on total annual out of pocket enrollee cost sharing expenses.~~

Subd. 5. **Exceptions.** ~~No co-payments or deductibles may be imposed on preventive health care services as described in Minnesota Rules, part 4685.0801, subpart 8 consistent with the provisions of the Affordable Care Act as defined under section 62A.011, subdivision 1a.~~

Subd. 6. **Public programs.** ~~This section does not apply to the prepaid medical assistance program, the MinnesotaCare program, the prepaid general assistance program, the federal Medicare program, or the health plans provided through any of those programs.~~

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

Sec. 35. Minnesota Statutes 2012, section 62D.181, subdivision 7, is amended to read:

Subd. 7. **Replacement coverage; limitations.** ~~The association is not obligated to offer replacement coverage under this chapter or conversion coverage under section 62E.16 at the end of the periods specified in subdivision 6. Any continuation obligation arising under this chapter or chapter 62A will cease at the end of the periods specified in subdivision 6.~~

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

Sec. 36. Minnesota Statutes 2012, section 62E.02, is amended by adding a subdivision to read:

Subd. 2a. **Essential health benefits.** "Essential health benefits" has the meaning given under section 1302(b) of the Affordable Care Act, as defined under section 62A.011, subdivision 1a. Essential health benefits include:

(1) ambulatory patient services;

(2) emergency services;

(3) hospitalization;

(4) laboratory services;

(5) maternity and newborn care;

(6) mental health and substance abuse disorder services, including behavioral health treatment;

(7) pediatric services, including oral and vision care;

(8) prescription drugs;

(9) preventive and wellness services and chronic disease management;

(10) rehabilitative and habilitative services and devices; and

(11) other services defined as essential health benefits under the Affordable Care Act as defined in section 62A.011, subdivision 1a.

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

Sec. 37. Minnesota Statutes 2012, section 62E.04, subdivision 4, is amended to read:

Subd. 4. **Major medical coverage.** Each insurer and fraternal shall affirmatively offer coverage of major medical expenses to every applicant who applies to the insurer or fraternal for a new unqualified policy, which has a lifetime benefit limit of less than \$1,000,000, at the time of application and annually to every holder of such an unqualified policy of accident and health insurance renewed by the insurer or fraternal. The coverage shall provide that when a covered individual incurs out-of-pocket expenses of \$5,000 or more within a calendar year for services covered in section 62E.06, subdivision 1, benefits shall be payable, subject to any co-payment authorized by the commissioner, ~~up to a maximum lifetime limit of not less than \$1,000,000 and shall not contain a lifetime maximum on essential health benefits.~~ The offer of coverage of major medical expenses may consist of the offer of a rider on an existing unqualified policy or a new policy which is a qualified plan.

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

Sec. 38. Minnesota Statutes 2012, section 62E.06, subdivision 1, is amended to read:

Subdivision 1. **Number three plan.** A plan of health coverage shall be certified as a number three qualified plan if it otherwise meets the requirements established by chapters 62A, 62C, and 62Q, and the other laws of this state, whether or not the policy is issued in Minnesota, and meets or exceeds the following minimum standards:

(a) The minimum benefits for a covered individual shall, subject to the other provisions of this subdivision, be equal to at least 80 percent of the cost of covered services in excess of an annual deductible which does not exceed \$150 per person. The coverage shall include a limitation of \$3,000 per person on total annual out-of-pocket expenses for services covered under this subdivision. The coverage shall not be subject to a ~~maximum lifetime benefit of not less than \$1,000,000~~ lifetime maximum on essential health benefits.

The prohibition on lifetime maximums for essential health benefits and \$3,000 limitation on total annual out-of-pocket expenses ~~and the \$1,000,000 maximum lifetime benefit~~ shall not be subject to change or substitution by use of an actuarially equivalent benefit.

(b) Covered expenses shall be the usual and customary charges for the following services and articles when prescribed by a physician:

- (1) hospital services;
- (2) professional services for the diagnosis or treatment of injuries, illnesses, or conditions, other than dental, which are rendered by a physician or at the physician's direction;
- (3) drugs requiring a physician's prescription;
- (4) services of a nursing home for not more than 120 days in a year if the services would qualify as reimbursable services under Medicare;
- (5) services of a home health agency if the services would qualify as reimbursable services under Medicare;
- (6) use of radium or other radioactive materials;
- (7) oxygen;
- (8) anesthetics;
- (9) prostheses other than dental but including scalp hair prostheses worn for hair loss suffered as a result of alopecia areata;
- (10) rental or purchase, as appropriate, of durable medical equipment other than eyeglasses and hearing aids, unless coverage is required under section 62Q.675;
- (11) diagnostic x-rays and laboratory tests;
- (12) oral surgery for partially or completely unerupted impacted teeth, a tooth root without the extraction of the entire tooth, or the gums and tissues of the mouth when not performed in connection with the extraction or repair of teeth;
- (13) services of a physical therapist;
- (14) transportation provided by licensed ambulance service to the nearest facility qualified to treat the condition; or a reasonable mileage rate for transportation to a kidney dialysis center for treatment; and
- (15) services of an occupational therapist.



(c) Covered expenses for the services and articles specified in this subdivision do not include the following:

(1) any charge for care for injury or disease either (i) arising out of an injury in the course of employment and subject to a workers' compensation or similar law, (ii) for which benefits are payable without regard to fault under coverage statutorily required to be contained in any motor vehicle, or other liability insurance policy or equivalent self-insurance, or (iii) for which benefits are payable under another policy of accident and health insurance, Medicare, or any other governmental program except as otherwise provided by section 62A.04, subdivision 3, clause (4);

(2) any charge for treatment for cosmetic purposes other than for reconstructive surgery when such service is incidental to or follows surgery resulting from injury, sickness, or other diseases of the involved part or when such service is performed on a covered dependent child because of congenital disease or anomaly which has resulted in a functional defect as determined by the attending physician;

(3) care which is primarily for custodial or domiciliary purposes which would not qualify as eligible services under Medicare;

(4) any charge for confinement in a private room to the extent it is in excess of the institution's charge for its most common semiprivate room, unless a private room is prescribed as medically necessary by a physician, provided, however, that if the institution does not have semiprivate rooms, its most common semiprivate room charge shall be considered to be 90 percent of its lowest private room charge;

(5) that part of any charge for services or articles rendered or prescribed by a physician, dentist, or other health care personnel which exceeds the prevailing charge in the locality where the service is provided; and

(6) any charge for services or articles the provision of which is not within the scope of authorized practice of the institution or individual rendering the services or articles.

(d) The minimum benefits for a qualified plan shall include, in addition to those benefits specified in clauses (a) and (e), benefits for well baby care, effective July 1, 1980, subject to applicable deductibles, coinsurance provisions, and maximum lifetime benefit limitations.

(e) Effective July 1, 1979, the minimum benefits of a qualified plan shall include, in addition to those benefits specified in clause (a), a second opinion from a physician on all surgical procedures expected to cost a total of \$500 or more in physician, laboratory, and hospital fees, provided that the coverage need not include the repetition of any diagnostic tests.

(f) Effective August 1, 1985, the minimum benefits of a qualified plan must include, in addition to the benefits specified in clauses (a), (d), and (e), coverage for special dietary treatment for phenylketonuria when recommended by a physician.

(g) Outpatient mental health coverage is subject to section 62A.152, subdivision 2.

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

Sec. 39. Minnesota Statutes 2012, section 62E.09, is amended to read:

**62E.09 DUTIES OF COMMISSIONER.**

The commissioner may:

(a) formulate general policies to advance the purposes of sections 62E.01 to 62E.19;

(b) supervise the creation of the Minnesota Comprehensive Health Association within the limits described in section 62E.10;

(c) approve the selection of the writing carrier by the association, approve the association's contract with the writing carrier, and approve the state plan coverage;

(d) appoint advisory committees;

(e) conduct periodic audits to assure the general accuracy of the financial data submitted by the writing carrier and the association;

(f) contract with the federal government or any other unit of government to ensure coordination of the state plan with other governmental assistance programs;

(g) undertake directly or through contracts with other persons studies or demonstration programs to develop awareness of the benefits of sections 62E.01 to ~~62E.16~~ 62E.15, so that the residents of this state may best avail themselves of the health care benefits provided by these sections;

(h) contract with insurers and others for administrative services; and

(i) adopt, amend, suspend and repeal rules as reasonably necessary to carry out and make effective the provisions and purposes of sections 62E.01 to 62E.19.

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

Sec. 40. Minnesota Statutes 2012, section 62E.10, subdivision 7, is amended to read:

Subd. 7. **General powers.** The association may:

(a) Exercise the powers granted to insurers under the laws of this state;

(b) Sue or be sued;

(c) Enter into contracts with insurers, similar associations in other states or with other persons for the performance of administrative functions including the functions provided for in clauses (e) and (f);

(d) Establish administrative and accounting procedures for the operation of the association;

(e) Provide for the reinsuring of risks incurred as a result of issuing the coverages required by ~~sections~~ section 62E.04 ~~and 62E.16~~ by members of the association. Each member which elects to reinsure its required risks shall determine the categories of coverage it elects to reinsure in the association. The categories of coverage are:

(1) individual qualified plans, excluding group conversions;

(2) group conversions;

(3) group qualified plans with fewer than 50 employees or members; and

(4) major medical coverage.

A separate election may be made for each category of coverage. If a member elects to reinsure the risks of a category of coverage, it must reinsure the risk of the coverage of every life covered under every policy issued in that category. A member electing to reinsure risks of a category of coverage shall enter into a contract with the association establishing a reinsurance plan for the risks. This contract may include provision for the pooling of members' risks reinsured through the association and it may provide for assessment of each member reinsuring risks for losses and operating and administrative expenses incurred, or estimated to be incurred in the operation of the reinsurance plan. This reinsurance plan shall be approved by the commissioner before it is effective. Members electing to administer the risks which are reinsured in the association shall comply with the benefit determination guidelines and accounting procedures established by the association. The fee charged by the association for the reinsurance of risks shall not be less than 110 percent of the total anticipated expenses incurred by the association for the reinsurance; and

(f) Provide for the administration by the association of policies which are reinsured pursuant to clause (e). Each member electing to reinsure one or more categories of coverage in the association may elect to have the association administer the categories of coverage on the member's behalf. If a member elects to have the association administer the categories of coverage, it must do so for every life covered under every policy issued in that category. The fee for the administration shall not be less than 110 percent of the total anticipated expenses incurred by the association for the administration.

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

Sec. 41. Minnesota Statutes 2012, section 62H.04, is amended to read:

#### **62H.04 COMPLIANCE WITH OTHER LAWS.**

(a) A joint self-insurance plan is subject to the requirements of chapters 62A, 62E, 62L, and 62Q, and sections 72A.17 to 72A.32 unless otherwise specifically exempt. A joint self-insurance plan must pay assessments made by the Minnesota Comprehensive Health Association, as required under section 62E.11.

(b) A joint self-insurance plan is exempt from providing the mandated health benefits described in chapters 62A, 62E, 62L, and 62Q if it otherwise provides the benefits required under the Employee Retirement Income Security Act of 1974, United States Code, title 29, sections 1001, et seq., for all employers and not just for the employers with 50 or more employees who are covered by that federal law.

(c) A joint self-insurance plan is exempt from section 62L.03, subdivision 1, if the plan offers an annual open enrollment period of no less than 15 days during which all employers that qualify for membership may enter the plan without preexisting condition limitations or exclusions except those permitted under chapter 62L.

(d) A joint self-insurance plan is exempt from sections 62A.146, 62A.16, 62A.17, 62A.20, 62A.21, and 62A.65, subdivision 5, paragraph (b), ~~and 62E.16~~ if the joint self-insurance plan complies with the continuation requirements under the Employee Retirement Income Security Act of 1974, United States Code, title 29, sections 1001, et seq., for all employers and not just for the employers with 20 or more employees who are covered by that federal law.

(e) A joint self-insurance plan must provide to all employers the maternity coverage required by federal law for employers with 15 or more employees.

(f) A joint self-insurance plan must comply with all the provisions and requirements of the Affordable Care Act as defined under section 62A.011, subdivision 1a, to the extent that they apply to such plans.

**EFFECTIVE DATE.** This section is effective the day following final enactment, except that the amendment made to paragraph (d) is effective January 1, 2014.

Sec. 42. Minnesota Statutes 2012, section 62L.02, subdivision 11, is amended to read:

Subd. 11. **Dependent.** "Dependent" means an eligible employee's spouse, ~~unmarried child who is under the age of 25 years~~ dependent child to the limiting age as defined in section 62Q.01, subdivision 9, dependent child of any age who is disabled and who meets the eligibility criteria in section 62A.14, subdivision 2, or any other person whom state or federal law requires to be treated as a dependent for purposes of health plans. For the purpose of this definition, a dependent child to the limiting age as defined in section 62Q.01, subdivision 9, includes a child for whom the employee or the employee's spouse has been appointed legal guardian and an adoptive child as provided in section 62A.27. A child also means a grandchild as provided in section 62A.042 with continued eligibility of grandchildren as provided in section 62A.302, subdivision 4.

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

Sec. 43. Minnesota Statutes 2012, section 62L.02, subdivision 14a, is amended to read:

Subd. 14a. **Guaranteed issue.** "Guaranteed issue" means that a health carrier shall not decline an application by a small employer for any health benefit plan offered by that health carrier and shall not decline to cover under a health benefit plan any eligible employee or eligible dependent, including persons who become eligible employees or eligible dependents after initial issuance of the health benefit plan, ~~subject to the health carrier's right to impose preexisting condition limitations permitted under this chapter.~~

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

Sec. 44. Minnesota Statutes 2012, section 62L.02, is amended by adding a subdivision to read:

Subd. 17a. **Individual health plan.** "Individual health plan" means a health plan as defined under section 62A.011, subdivision 3, that is offered to individuals in the individual market, other than conversion policies or short-term coverage. Small group market health plans offered through the Minnesota Insurance Marketplace to employees of a small employer are not considered individual health plans, regardless of whether the health plan is purchased using a defined contribution from the employer.

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

Sec. 45. Minnesota Statutes 2012, section 62L.02, subdivision 26, is amended to read:

Subd. 26. **Small employer.** (a) "Small employer" means, with respect to a calendar year and a plan year, a person, firm, corporation, partnership, association, or other entity actively engaged in business in Minnesota, including a political subdivision of the state, that employed an average of ~~no fewer than two nor at least one, not including a sole proprietor, but not~~ more than 50 current employees on business days during the preceding calendar year and that employs at least ~~two~~ one current ~~employees~~ employee, not including a sole proprietor, on the first day of the plan year. ~~If an employer has only one eligible employee who has not waived coverage, the sale of a health plan to or for that eligible employee is not a sale to a small employer and is not subject to this chapter and may be treated as the sale of an individual health plan.~~ A small employer plan may be offered through a domiciled association to self-employed individuals and small employers who are members of the association, even if the self-employed individual or small employer has fewer than two current employees. Entities that are treated as a single employer under subsection (b), (c), (m), or (o) of section 414 of the federal Internal Revenue Code are considered a single employer for purposes of determining the number of current employees. Small employer status must be determined on an annual basis as of the renewal date of the health benefit plan. The provisions of this chapter continue to apply to an employer who no longer meets the requirements of this definition until the annual renewal date of the employer's health benefit plan. If an employer was not in existence throughout the preceding calendar year, the determination of whether the employer is a small employer is based upon the average number of current

employees that it is reasonably expected that the employer will employ on business days in the current calendar year. For purposes of this definition, the term employer includes any predecessor of the employer. An employer that has more than 50 current employees but has 50 or fewer employees, as "employee" is defined under United States Code, title 29, section 1002(6), is a small employer under this subdivision.

(b) Where an association, as defined in section 62L.045, comprised of employers contracts with a health carrier to provide coverage to its members who are small employers, the association and health benefit plans it provides to small employers, are subject to section 62L.045, with respect to small employers in the association, even though the association also provides coverage to its members that do not qualify as small employers.

(c) If an employer has employees covered under a trust specified in a collective bargaining agreement under the federal Labor-Management Relations Act of 1947, United States Code, title 29, section 141, et seq., as amended, or employees whose health coverage is determined by a collective bargaining agreement and, as a result of the collective bargaining agreement, is purchased separately from the health plan provided to other employees, those employees are excluded in determining whether the employer qualifies as a small employer. Those employees are considered to be a separate small employer if they constitute a group that would qualify as a small employer in the absence of the employees who are not subject to the collective bargaining agreement.

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

Sec. 46. Minnesota Statutes 2012, section 62L.03, subdivision 1, is amended to read:

Subdivision 1. **Guaranteed issue and reissue.** (a) Every health carrier shall, as a condition of authority to transact business in this state in the small employer market, affirmatively market, offer, sell, issue, and renew any of its health benefit plans, on a guaranteed issue basis, to any small employer, including a small employer covered by paragraph (b), that meets the participation and contribution requirements of subdivision 3, as provided in this chapter.

(b) A small employer that ~~has its~~ no longer meets the definition of small employer because of a reduction in workforce reduced to one employee may continue coverage as a small employer for 12 months from the date the group is reduced to one employee.

(c) Notwithstanding paragraph (a), a health carrier may, at the time of coverage renewal, modify the health coverage for a product offered in the small employer market if the modification is consistent with state law, approved by the commissioner, and effective on a uniform basis for all small employers purchasing that product other than through a qualified association in compliance with section 62L.045, subdivision 2.

~~Paragraph (a) does not apply to a health benefit plan designed for a small employer to comply with a collective bargaining agreement, provided that the health benefit plan otherwise complies with this chapter and is not offered to other small employers, except for other small employers that need it for the same reason. This paragraph applies only with respect to collective bargaining agreements entered into prior to August 21, 1996, and only with respect to plan years beginning before the later of July 1, 1997, or the date upon which the last of the collective bargaining agreements relating to the plan terminates determined without regard to any extension agreed to after August 21, 1996.~~

~~(d) Every health carrier participating in the small employer market shall make available both of the plans described in section 62L.05 to small employers and shall fully comply with the underwriting and the rate restrictions specified in this chapter for all health benefit plans issued to small employers.~~

(e) (d) A health carrier may cease to transact business in the small employer market as provided under section 62L.09.

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

Sec. 47. Minnesota Statutes 2012, section 62L.03, subdivision 3, is amended to read:

Subd. 3. **Minimum participation and contribution.** (a) A small employer that has at least 75 percent of its eligible employees who have not waived coverage participating in a health benefit plan and that contributes at least 50 percent toward the cost of coverage of each eligible employee must be guaranteed coverage on a guaranteed issue basis from any health carrier participating in the small employer market. The participation level of eligible employees must be determined at the initial offering of coverage and at the renewal date of coverage. A health carrier must not increase the participation requirements applicable to a small employer at any time after the small employer has been accepted for coverage. For the purposes of this subdivision, waiver of coverage includes only waivers due to: (1) coverage under another group health plan; (2) unaffordability as specified by the Affordable Care Act as defined under section 62A.011, subdivision 1a; (3) coverage under Medicare Parts A and B; or ~~(3)~~ (4) coverage under medical assistance under chapter 256B or general assistance medical care under chapter 256D.

(b) If a small employer does not satisfy the contribution or participation requirements under this subdivision, a health carrier may voluntarily issue or renew individual health plans, or a health benefit plan which must fully comply with this chapter. A health carrier that provides a health benefit plan to a small employer that does not meet the contribution or participation requirements of this subdivision must maintain this information in its files for audit by the commissioner. A health carrier may not offer an individual health plan, purchased through an arrangement between the employer and the health carrier, to any employee unless the health carrier also offers the individual health plan, on a guaranteed issue basis, to all other employees of the same employer. An arrangement permitted under section 62L.12, subdivision 2, paragraph (k), is not an arrangement between the employer and the health carrier for purposes of this paragraph.

(c) Nothing in this section obligates a health carrier to issue coverage to a small employer that currently offers coverage through a health benefit plan from another health carrier, unless the new coverage will replace the existing coverage and not serve as one of two or more health benefit plans offered by the employer. This paragraph does not apply if the small employer will meet the required participation level with respect to the new coverage.

(d) This section does not apply to health plans offered through the Minnesota Insurance Marketplace under chapter 62V.

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

Sec. 48. Minnesota Statutes 2012, section 62L.03, subdivision 4, is amended to read:

Subd. 4. **Underwriting restrictions.** ~~(a) Health carriers may apply underwriting restrictions to coverage for health benefit plans for small employers, including any preexisting condition limitations, only as expressly permitted under this chapter. For purposes of this section, "underwriting restrictions" means any refusal of the health carrier to issue or renew coverage, any premium rate higher than the lowest rate charged by the health carrier for the same coverage, any preexisting condition limitation, preexisting condition exclusion, or any exclusionary rider.~~

~~(b)~~ Health carriers may collect information relating to the case characteristics and demographic composition of small employers, as well as health status and health history information about employees, and dependents of employees, of small employers.

~~(c) Except as otherwise authorized for late entrants, preexisting conditions may be excluded by a health carrier for a period not to exceed 12 months from the enrollment date of an eligible employee or dependent, but exclusionary riders must not be used. Late entrants may be subject to a preexisting condition limitation not to exceed 18 months from the enrollment date of the late entrant, but must not be subject to any exclusionary rider or preexisting condition exclusion. When calculating any length of preexisting condition limitation, a health carrier shall credit the time period an eligible employee or dependent was previously covered by qualifying coverage,~~

~~provided that the individual maintains continuous coverage. The credit must be given for all qualifying coverage with respect to all preexisting conditions, regardless of whether the conditions were preexisting with respect to any previous qualifying coverage. Section 60A.082, relating to replacement of group coverage, and the rules adopted under that section apply to this chapter, and this chapter's requirements are in addition to the requirements of that section and the rules adopted under it. A health carrier shall, at the time of first issuance or renewal of a health benefit plan on or after July 1, 1993, credit against any preexisting condition limitation or exclusion permitted under this section, the time period prior to July 1, 1993, during which an eligible employee or dependent was covered by qualifying coverage, if the person has maintained continuous coverage.~~

~~(d) Health carriers shall not use pregnancy as a preexisting condition under this chapter.~~

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

Sec. 49. Minnesota Statutes 2012, section 62L.03, subdivision 6, is amended to read:

Subd. 6. **MCHA enrollees.** Health carriers shall offer coverage to any eligible employee or dependent enrolled in MCHA at the time of the health carrier's issuance or renewal of a health benefit plan to a small employer. The health benefit plan must require that the employer permit MCHA enrollees to enroll in the small employer's health benefit plan as of the first date of renewal of a health benefit plan occurring on or after July 1, 1993, and as of each date of renewal after that, or, in the case of a new group, as of the initial effective date of the health benefit plan and as of each date of renewal after that. ~~Unless otherwise permitted by this chapter,~~ Health carriers must not impose any underwriting restrictions, including any preexisting condition limitations or exclusions, on any eligible employee or dependent previously enrolled in MCHA and transferred to a health benefit plan ~~so long as continuous coverage is maintained, provided that the health carrier may impose any unexpired portion of a preexisting condition limitation under the person's MCHA coverage. An MCHA enrollee is not a late entrant, so long as the enrollee has maintained continuous coverage.~~

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

Sec. 50. Minnesota Statutes 2012, section 62L.045, subdivision 2, is amended to read:

Subd. 2. **Qualified associations.** (a) A qualified association, as defined in this section, and health coverage offered by it, to it, or through it, to a small employer in this state must comply with the requirements of this chapter regarding guaranteed issue, guaranteed renewal, preexisting condition limitations, ~~credit against preexisting condition limitations for continuous coverage,~~ treatment of MCHA enrollees, and the definition of dependent, and with section 62A.65, subdivision 5, paragraph (b). They must also comply with all other requirements of this chapter not specifically exempted in paragraph (b) or (c).

(b) A qualified association and a health carrier offering, selling, issuing, or renewing health coverage to, or to cover, a small employer in this state through the qualified association, may, but are not, in connection with that health coverage, required to:

(1) offer the two small employer plans described in section 62L.05; and

(2) offer to small employers that are not members of the association, health coverage offered to, by, or through the qualified association.

~~(c) A qualified association, and a health carrier offering, selling, issuing, and renewing health coverage to, or to cover, a small employer in this state must comply with section 62L.08, except that:~~

~~(1) a separate index rate may be applied by a health carrier to each qualified association, provided that:~~

~~(i) the premium rate applied to participating small employer members of the qualified association is no more than 25 percent above and no more than 25 percent below the index rate applied to the qualified association, irrespective of when members applied for health coverage; and~~

~~(ii) the index rate applied by a health carrier to a qualified association is no more than 20 percent above and no more than 20 percent below the index rate applied by the health carrier to any other qualified association or to any small employer. In comparing index rates for purposes of this clause, the 20 percent shall be calculated as a percent of the larger index rate; and~~

~~(2) a qualified association described in subdivision 1, paragraph (a), clauses (2) to (4), providing health coverage through a health carrier, or on a self-insured basis in compliance with section 471.617 and the rules adopted under that section, may cover small employers and other employers within the same pool and may charge premiums to small employer members on the same basis as it charges premiums to members that are not small employers, if the premium rates charged to small employers do not have greater variation than permitted under section 62L.08. A qualified association operating under this clause shall annually prove to the commissioner of commerce that it complies with this clause through a sampling procedure acceptable to the commissioner. If the qualified association fails to prove compliance to the satisfaction of the commissioner, the association shall agree to a written plan of correction acceptable to the commissioner. The qualified association is considered to be in compliance under this clause if there is a premium rate that would, if used as an index rate, result in all premium rates in the sample being in compliance with section 62L.08. This clause does not exempt a qualified association or a health carrier providing coverage through the qualified association from the loss ratio requirement of section 62L.08, subdivision 11.~~

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

Sec. 51. Minnesota Statutes 2012, section 62L.045, subdivision 4, is amended to read:

Subd. 4. **Principles; association coverage.** (a) This subdivision applies to associations as defined in this section, whether qualified associations or not, and is intended to clarify subdivisions 1 to 3.

(b) This section applies only to associations that provide health coverage to small employers.

~~(c) A health carrier is not required under this chapter to comply with guaranteed issue and guaranteed renewal with respect to its relationship with the association itself. An arrangement between the health carrier and the association, once entered into, must comply with guaranteed issue and guaranteed renewal with respect to members of the association that are small employers and persons covered through them.~~

(d) When an arrangement between a health carrier and an association has validly terminated, the health carrier has no continuing obligation to small employers and persons covered through them, except as otherwise provided in:

(1) section 62A.65, subdivision 5, paragraph (b);

(2) any other continuation or conversion rights applicable under state or federal law; and

(3) section 60A.082, relating to group replacement coverage, and rules adopted under that section.

(e) When an association's arrangement with a health carrier has terminated and the association has entered into a new arrangement with that health carrier or a different health carrier, the new arrangement is subject to section 60A.082 and rules adopted under it, with respect to members of the association that are small employers and persons covered through them.



(f) An association that offers its members more than one plan of health coverage may have uniform rules restricting movement between the plans of health coverage, if the rules do not discriminate against small employers.

(g) This chapter does not require or prohibit separation of an association's members into one group consisting only of small employers and another group or other groups consisting of all other members. The association must comply with this section with respect to the small employer group.

(h) For purposes of this section, "member" of an association includes an employer participant in the association.

(i) For purposes of this section, health coverage issued to, or to cover, a small employer includes a certificate of coverage issued directly to the employer's employees and dependents, rather than to the small employer.

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

Sec. 52. Minnesota Statutes 2012, section 62L.05, subdivision 10, is amended to read:

Subd. 10. **Medical expense reimbursement.** Health carriers may reimburse or pay for medical services, supplies, or articles provided under a small employer plan in accordance with the health carrier's provider contract requirements including, but not limited to, salaried arrangements, capitation, the payment of usual and customary charges, fee schedules, discounts from fee-for-service, per diems, diagnosis-related groups (DRGs), and other payment arrangements. Nothing in this chapter requires a health carrier to develop, implement, or change its provider contract requirements for a small employer plan. Coinsurance, deductibles, and out-of-pocket maximums, ~~and maximum lifetime benefits~~ must be calculated and determined in accordance with each health carrier's standard business practices.

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

Sec. 53. Minnesota Statutes 2012, section 62L.06, is amended to read:

**62L.06 DISCLOSURE OF UNDERWRITING RATING PRACTICES.**

When offering or renewing a health benefit plan, health carriers shall disclose in all solicitation and sales materials:

- (1) ~~the case characteristics and other rating factors used to determine initial and renewal rates;~~
- (2) ~~the extent to which premium rates for a small employer are established or adjusted based upon actual or expected variation in claim experience;~~
- (3) provisions concerning the health carrier's right to change premium rates ~~and the factors other than claim experience that affect changes in premium rates;~~
- (4) (2) provisions relating to renewability of coverage;
- (5) ~~the use and effect of any preexisting condition provisions, if permitted;~~
- (6) (3) the application of any provider network limitations and their effect on eligibility for benefits; and
- (7) (4) the ability of small employers to insure eligible employees and dependents currently receiving coverage from the Comprehensive Health Association ~~through health benefit plans.~~

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

Sec. 54. Minnesota Statutes 2012, section 62L.08, is amended to read:

**62L.08 RESTRICTIONS RELATING TO PREMIUM RATES.**

Subdivision 1. **Rate restrictions.** Premium rates for all health benefit plans sold or issued to small employers are subject to the restrictions specified in this section.

~~Subd. 2. **General premium variations.** Beginning July 1, 1993, each health carrier must offer premium rates to small employers that are no more than 25 percent above and no more than 25 percent below the index rate charged to small employers for the same or similar coverage, adjusted pro rata for rating periods of less than one year. The premium variations permitted by this subdivision must be based only on health status, claims experience, industry of the employer, and duration of coverage from the date of issue. For purposes of this subdivision, health status includes refraining from tobacco use or other actuarially valid lifestyle factors associated with good health, provided that the lifestyle factor and its effect upon premium rates have been determined to be actuarially valid and approved by the commissioner. Variations permitted under this subdivision must not be based upon age or applied differently at different ages. This subdivision does not prohibit use of a constant percentage adjustment for factors permitted to be used under this subdivision.~~

~~Subd. 2a. **Renewal premium increases limited.** (a) Beginning January 1, 2003, the percentage increase in the premium rate charged to a small employer for a new rating period must not exceed the sum of the following:~~

~~(1) the percentage change in the index rate measured from the first day of the prior rating period to the first day of the new rating period;~~

~~(2) an adjustment, not to exceed 15 percent annually and adjusted pro rata for rating periods of less than one year, due to the claims experience, health status, or duration of coverage of the employees or dependents of the employer; and~~

~~(3) any adjustment due to change in coverage or in the case characteristics of the employer.~~

~~(b) This subdivision does not apply if the employer, employee, or any applicant provides the health carrier with false, incomplete, or misleading information.~~

Subd. 3. **Age-based premium variations.** ~~Beginning July 1, 1993,~~ Each health carrier may offer premium rates to small employers that vary based upon the ages of the eligible employees and dependents of the small employer only as provided in this subdivision. ~~In addition to the variation permitted by subdivision 2, each health carrier may use an additional premium variation based upon age of up to plus or minus 50 percent of the index rate. Premium rates may vary based upon the ages of the eligible employees and dependents of the small employer in accordance with the provisions of the Affordable Care Act as defined in section 62A.011, subdivision 1a.~~

Subd. 4. **Geographic premium variations.** ~~A health carrier may request approval by the commissioner to establish separate geographic regions determined by the health carrier and to establish separate index rates for each such region. Premium rates may vary based on geographic rating areas set by the commissioner. The commissioner shall grant approval if the following conditions are met:~~

~~(1) the geographic regions must be applied uniformly by the health carrier;~~

~~(2) each geographic region must be composed of no fewer than seven counties that create a contiguous region; and~~

~~(3) the health carrier provides actuarial justification acceptable to the commissioner for the proposed geographic variations in index rates, establishing that the variations are based upon differences in the cost to the health carrier of providing coverage.~~

Subd. 5. **Gender-based rates prohibited.** ~~Beginning July 1, 1993,~~ No health carrier may determine premium rates through a method that is in any way based upon the gender of eligible employees or dependents. Rates must not in any way reflect marital status or generalized differences in expected costs between employees and spouses.

Subd. 6. ~~Rate cells permitted~~ **Tobacco rating.** ~~Health carriers may use rate cells and must file with the commissioner the rate cells they use. Rate cells must be based on the number of adults and children covered under the policy and may reflect the availability of Medicare coverage. The rates for different rate cells must not in any way reflect marital status or differences in expected costs between employees and spouses. Premium rates may vary based upon tobacco use in accordance with the provisions of the Affordable Care Act as defined in section 62A.011, subdivision 1a.~~

Subd. 7. ~~Index and Premium rate development.~~ (a) In developing its ~~index~~ rates and premiums, a health carrier may take into account only the following factors:

- (1) actuarially valid differences in benefit designs of health benefit plans; and
- ~~(2) actuarially valid differences in the rating factors permitted in subdivisions 2 and 3;~~
- ~~(3) (2) actuarially valid geographic variations if approved by the commissioner as provided in subdivision 4.~~

(b) All premium variations permitted under this section must be based upon actuarially valid differences in expected cost to the health carrier of providing coverage. The variation must be justified in initial rate filings and upon request of the commissioner in rate revision filings. All premium variations are subject to approval by the commissioner.

Subd. 8. **Filing requirement.** A health carrier that offers, sells, issues, or renews a health benefit plan for small employers shall file with the commissioner the ~~index~~ rates and must demonstrate that all rates shall be within the rating restrictions defined in this chapter. Such demonstration must include ~~the allowable range of rates from the index rates and~~ a description of how the health carrier intends to use demographic factors including case characteristics in calculating the premium rates. The rates shall not be approved, unless the commissioner has determined that the rates are reasonable. In determining reasonableness, the commissioner shall consider the growth rates applied under section 62J.04, subdivision 1, paragraph (b), to the calendar year or years that the proposed premium rate would be in effect, and actuarially valid changes in risk associated with the enrollee population, ~~and actuarially valid changes as a result of statutory changes in Laws 1992, chapter 549.~~

Subd. 9. **Effect of assessments.** Premium rates must comply with the rating requirements of this section, notwithstanding the imposition of any assessments or premiums paid by health carriers as provided under sections 62L.13 to 62L.22.

Subd. 10. ~~Rating report.~~ ~~Beginning January 1, 1995, and annually thereafter, the commissioners of health and commerce shall provide a joint report to the legislature on the effect of the rating restrictions required by this section and the appropriateness of proceeding with additional rate reform. Each report must include an analysis of the availability of health care coverage due to the rating reform, the equitable and appropriate distribution of risk and associated costs, the effect on the self insurance market, and any resulting or anticipated change in health plan design and market share and availability of health carriers.~~

Subd. 11. **Loss ratio standards.** Notwithstanding section 62A.02, subdivision 3, relating to loss ratios, each policy or contract form used with respect to a health benefit plan offered, or issued in the small employer market, is subject, beginning July 1, 1993, to section 62A.021. The commissioner of health has, with respect to carriers under that commissioner's jurisdiction, all of the powers of the commissioner of commerce under that section.

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

Sec. 55. Minnesota Statutes 2012, section 62L.12, subdivision 2, is amended to read:

Subd. 2. **Exceptions.** (a) A health carrier may sell, issue, or renew individual conversion policies to eligible employees otherwise eligible for conversion coverage under section 62D.104 as a result of leaving a health maintenance organization's service area.

(b) A health carrier may sell, issue, or renew individual conversion policies to eligible employees otherwise eligible for conversion coverage as a result of the expiration of any continuation of group coverage required under sections 62A.146, 62A.17, 62A.21, 62C.142, 62D.101, and 62D.105.

(c) A health carrier may sell, issue, or renew conversion policies ~~under section 62E.16~~ to eligible employees.

(d) A health carrier may sell, issue, or renew individual continuation policies to eligible employees as required.

(e) A health carrier may sell, issue, or renew individual health plans if the coverage is appropriate due to an unexpired preexisting condition limitation or exclusion applicable to the person under the employer's group health plan or due to the person's need for health care services not covered under the employer's group health plan.

(f) A health carrier may sell, issue, or renew an individual health plan, if the individual has elected to buy the individual health plan not as part of a general plan to substitute individual health plans for a group health plan nor as a result of any violation of subdivision 3 or 4.

(g) A health carrier may sell, issue, or renew an individual health plan if coverage provided by the employer is determined to be unaffordable under the provisions of the Affordable Care Act as defined in section 62A.011, subdivision 1a.

(h) Nothing in this subdivision relieves a health carrier of any obligation to provide continuation or conversion coverage otherwise required under federal or state law.

~~(i)~~ (i) Nothing in this chapter restricts the offer, sale, issuance, or renewal of coverage issued as a supplement to Medicare under sections 62A.3099 to 62A.44, or policies or contracts that supplement Medicare issued by health maintenance organizations, or those contracts governed by sections 1833, 1851 to 1859, 1860D, or 1876 of the federal Social Security Act, United States Code, title 42, section 1395 et seq., as amended.

~~(j)~~ (j) Nothing in this chapter restricts the offer, sale, issuance, or renewal of individual health plans necessary to comply with a court order.

~~(k)~~ (k) A health carrier may offer, issue, sell, or renew an individual health plan to persons eligible for an employer group health plan, if the individual health plan is a high deductible health plan for use in connection with an existing health savings account, in compliance with the Internal Revenue Code, section 223. In that situation, the same or a different health carrier may offer, issue, sell, or renew a group health plan to cover the other eligible employees in the group.

~~(k)~~ (l) A health carrier may offer, sell, issue, or renew an individual health plan to one or more employees of a small employer if the individual health plan is marketed directly to all employees of the small employer and the small employer does not contribute directly or indirectly to the premiums or facilitate the administration of the individual health plan. The requirement to market an individual health plan to all employees does not require the health carrier to offer or issue an individual health plan to any employee. For purposes of this paragraph, an employer is not contributing to the premiums or facilitating the administration of the individual health plan if the employer does not contribute to the premium and merely collects the premiums from an employee's wages or salary through payroll deductions and submits payment for the premiums of one or more employees in a lump sum to the health carrier. Except for coverage under section 62A.65, subdivision 5, paragraph (b), ~~or 62E.16~~, at the request of an employee, the health carrier may bill the employer for the premiums payable by the employee, provided that the employer is not liable for payment except from payroll deductions for that purpose. If an employer is submitting payments under this paragraph, the health carrier shall provide a cancellation notice directly to the primary insured at least ten days prior to termination of coverage for nonpayment of premium. Individual coverage under this paragraph may be offered only if the small employer has not provided coverage under section 62L.03 to the employees within the past 12 months.

~~The employer must provide a written and signed statement to the health carrier that the employer is not contributing directly or indirectly to the employee's premiums. The health carrier may rely on the employer's statement and is not required to guarantee issue individual health plans to the employer's other current or future employees.~~

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

Sec. 56. Minnesota Statutes 2012, section 62M.05, subdivision 3a, is amended to read:

Subd. 3a. **Standard review determination.** (a) Notwithstanding subdivision 3b, an initial determination on all requests for utilization review must be communicated to the provider and enrollee in accordance with this subdivision within ten business days of the request, provided that all information reasonably necessary to make a determination on the request has been made available to the utilization review organization.

(b) When an initial determination is made to certify, notification must be provided promptly by telephone to the provider. The utilization review organization shall send written notification to the provider or shall maintain an audit trail of the determination and telephone notification. For purposes of this subdivision, "audit trail" includes documentation of the telephone notification, including the date; the name of the person spoken to; the enrollee; the service, procedure, or admission certified; and the date of the service, procedure, or admission. If the utilization review organization indicates certification by use of a number, the number must be called the "certification number." For purposes of this subdivision, notification may also be made by facsimile to a verified number or by electronic mail to a secure electronic mailbox. These electronic forms of notification satisfy the "audit trail" requirement of this paragraph.

(c) When an initial determination is made not to certify, notification must be provided by telephone, by facsimile to a verified number, or by electronic mail to a secure electronic mailbox within one working day after making the determination to the attending health care professional and hospital as applicable. Written notification must also be sent to the hospital as applicable and attending health care professional if notification occurred by telephone. For purposes of this subdivision, notification may be made by facsimile to a verified number or by electronic mail to a secure electronic mailbox. Written notification must be sent to the enrollee and may be sent by United States mail, facsimile to a verified number, or by electronic mail to a secure mailbox. The written notification must include the principal reason or reasons for the determination and the process for initiating an appeal of the determination. Upon request, the utilization review organization shall provide the provider or enrollee with the criteria used to determine the necessity, appropriateness, and efficacy of the health care service and identify the database, professional treatment parameter, or other basis for the criteria. Reasons for a determination not to certify may include, among other things, the lack of adequate information to certify after a reasonable attempt has been made to contact the provider or enrollee.

(d) When an initial determination is made not to certify, the written notification must inform the enrollee and the attending health care professional of the right to submit an appeal to the internal appeal process described in section 62M.06 and the procedure for initiating the internal appeal. The written notice shall be provided in a culturally and linguistically appropriate manner consistent with the provisions of the Affordable Care Act as defined under section 62A.011, subdivision 1a.

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

Sec. 57. Minnesota Statutes 2012, section 62M.06, subdivision 1, is amended to read:

Subdivision 1. **Procedures for appeal.** A utilization review organization must have written procedures for appeals of determinations not to certify. The right to appeal must be available to the enrollee and to the attending health care professional. The enrollee shall be allowed to review the information relied upon in the course of the appeal, present evidence and testimony as part of the appeals process, and receive continued coverage pending the outcome of the appeals process.

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

Sec. 58. Minnesota Statutes 2012, section 62Q.01, is amended by adding a subdivision to read:

Subd. 1a. **Affordable Care Act.** "Affordable Care Act" means the Affordable Care Act as defined in section 62A.011, subdivision 1a.

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

Sec. 59. Minnesota Statutes 2012, section 62Q.01, is amended by adding a subdivision to read:

Subd. 1b. **Bona fide association.** "Bona fide association" means an association that meets all of the following criteria:

(1) serves a single profession that requires a significant amount of education, training or experience, or a license or certificate from a state authority to practice that profession;

(2) has been actively in existence for five years;

(3) has a constitution and bylaws or other analogous governing documents;

(4) has been formed and maintained in good faith for purposes other than obtaining insurance;

(5) is not owned or controlled by a health plan company or affiliated with a health plan company;

(6) does not condition membership in the association on any health status related factor;

(7) has at least 1,000 members if it is a national association, 500 members if it is a state association, or 200 members if it is a local association;

(8) all members and dependents of members are eligible for coverage regardless of any health status related factor;

(9) does not make health plans offered through the association available other than in connection with a member of the association;

(10) is governed by a board of directors and sponsors annual meeting of its members; and

(1) produces only market association memberships, accepts applications for membership, or signs up members in the professional association where the subject individuals are actively engaged in, or directly related to, the profession represented by the association.

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

Sec. 60. Minnesota Statutes 2012, section 62Q.01, is amended by adding a subdivision to read:

**Subd. 2b. Grandfathered health plan.** "Grandfathered health plan" means a grandfathered health plan as defined in section 62A.011, subdivision 1b.

Sec. 61. Minnesota Statutes 2012, section 62Q.01, is amended by adding a subdivision to read:

**Subd. 2c. Group health plan.** "Group health plan" means a group health plan as defined in section 62A.011, subdivision 1c.

Sec. 62. Minnesota Statutes 2012, section 62Q.01, is amended by adding a subdivision to read:

**Subd. 4b. Individual health plan.** "Individual health plan" means an individual health plan as defined in section 62A.011, subdivision 4.

Sec. 63. Minnesota Statutes 2012, section 62Q.01, is amended by adding a subdivision to read:

**Subd. 7. Life-threatening condition.** "Life-threatening condition" means a disease or condition from which the likelihood of death is probable unless the course of the disease or condition is interrupted.

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

Sec. 64. Minnesota Statutes 2012, section 62Q.01, is amended by adding a subdivision to read:

**Subd. 8. Primary care provider.** "Primary care provider" means a health care professional designated by an enrollee to supervise, coordinate, or provide initial care or continuing care to the enrollee, and who may be required by the health plan company to initiate a referral for specialty care and maintain supervision of health care services rendered to the enrollee.

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

Sec. 65. Minnesota Statutes 2012, section 62Q.01, is amended by adding a subdivision to read:

**Subd. 9. Dependent child to the limiting age.** "Dependent child to the limiting age" or "dependent children to the limiting age" means those individuals who are eligible and covered as a dependent child under the terms of a health plan who have not yet attained 26 years of age. A health plan company must not deny or restrict eligibility for a dependent child to the limiting age based on financial dependency, residency, marital status, or student status. For coverage under plans offered by the Minnesota Comprehensive Health Association, dependent to the limiting age means dependent as defined in section 62A.302, subdivision 3. Notwithstanding the provisions in this subdivision, a health plan may include:

(1) eligibility requirements regarding the absence of other health plan coverage as permitted by the Affordable Care Act for grandfathered plan coverage; or

(2) an age greater than 26 in its policy, contract, or certificate of coverage.

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

Sec. 66. Minnesota Statutes 2012, section 62Q.021, is amended to read:

**62Q.021 FEDERAL ACT; COMPLIANCE REQUIRED.**

Subdivision 1. **Compliance with 1996 federal law.** Each health plan company shall comply with the federal Health Insurance Portability and Accountability Act of 1996, including any federal regulations adopted under that act, to the extent that it imposes a requirement that applies in this state and that is not also required by the laws of this state. This section does not require compliance with any provision of the federal act prior to the effective date provided for that provision in the federal act. The commissioner shall enforce this ~~section~~ subdivision.

Subd. 2. **Compliance with 2010 federal law.** Each health plan company shall comply with the Affordable Care Act to the extent that it imposes a requirement that applies in this state but is not required under the laws of this state. This section does not require compliance with any provision of the Affordable Care Act before the effective date provided for that provision in the Affordable Care Act. The commissioner shall enforce this subdivision.

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

Sec. 67. Minnesota Statutes 2012, section 62Q.17, subdivision 6, is amended to read:

Subd. 6. **Employer-based purchasing pools.** Employer-based purchasing pools must, with respect to small employers as defined in section 62L.02, meet all the requirements of chapter 62L. The experience of the pool must be pooled and the rates blended across all groups. ~~Pools may decide to create tiers within the pool, based on experience of group members. These tiers must be designed within the requirements of section 62L.08. The governing structure may establish criteria limiting movement between tiers. Tiers must be phased out within two years of the pool's creation.~~

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

Sec. 68. Minnesota Statutes 2012, section 62Q.18, is amended by adding a subdivision to read:

Subd. 8. **Guaranteed issue.** No health plan company shall offer, sell, or issue any health plan that does not make coverage available on a guaranteed issue basis in accordance with the Affordable Care Act.

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

Sec. 69. **[62Q.186] PROHIBITION ON RESCISSIONS OF HEALTH PLANS.**

Subdivision 1. **Definitions.** (a) "Rescission" means a cancellation or discontinuance of coverage under a health plan that has a retroactive effect.

(b) "Rescission" does not include:

(1) a cancellation or discontinuance of coverage under a health plan if:

(i) the cancellation or discontinuance of coverage has only a prospective effect; or

(ii) the cancellation or discontinuance of coverage is effective retroactively to the extent it is attributable to a failure to timely pay required premiums or contributions toward the cost of coverage; or

(2) when the health plan covers only active employees and, if applicable, dependents and those covered under continuation coverage provisions, the employee pays no premiums for coverage after termination of employment and the cancellation or discontinuance of coverage is effective retroactively back to the date of termination of employment due to a delay in administrative record-keeping.



Subd. 2. **Prohibition on rescissions.** (a) A health plan company shall not rescind coverage under a health plan with respect to an individual, including a group to which the individual belongs or family coverage in which the individual is included, after the individual is covered under the health plan, unless:

(1) the individual or a person seeking coverage on behalf of the individual, performs an act, practice, or omission that constitutes fraud; or

(2) the individual makes an intentional misrepresentation or omission of material fact, as prohibited by the terms of the health plan.

For purposes of this section, a person seeking coverage on behalf of an individual does not include an insurance producer or employee or authorized representative of the health carrier.

(b) This section does not apply to any benefits classified as excepted benefits under United States Code, title 42, section 300gg-91(c), or regulations enacted thereunder from time to time.

Subd. 3. **Notice required.** A health plan company shall provide at least 30 days advance written notice to each individual who would be affected by the proposed rescission of coverage before coverage under the health plan may be terminated retroactively.

Subd. 4. **Compliance with other restrictions on rescissions.** Nothing in this section allows rescission if rescission would otherwise be prohibited under section 62A.04, subdivision 2, clause (2), or 62A.615.

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

Sec. 70. Minnesota Statutes 2012, section 62Q.23, is amended to read:

**62Q.23 GENERAL SERVICES.**

(a) Health plan companies shall comply with all continuation and conversion of coverage requirements applicable to health maintenance organizations under state or federal law.

(b) Health plan companies shall comply with sections 62A.047, 62A.27, and any other coverage required under chapter 62A of newborn infants, dependent children ~~who do not reside with a covered person to the limiting age as defined in section 62Q.01, subdivision 9, disabled children and dependents~~ dependent children, and adopted children. A health plan company providing dependent coverage shall comply with section 62A.302.

(c) Health plan companies shall comply with the equal access requirements of section 62A.15.

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

Sec. 71. Minnesota Statutes 2012, section 62Q.43, subdivision 2, is amended to read:

Subd. 2. **Access requirement.** Every closed-panel health plan must allow enrollees ~~who are full-time students~~ under the age of ~~25~~ 26 years to change their designated clinic or physician at least once per month, as long as the clinic or physician is part of the health plan company's statewide clinic or physician network. A health plan company shall not charge enrollees who choose this option higher premiums or cost sharing than would otherwise apply to enrollees who do not choose this option. A health plan company may require enrollees to provide 15 days' written notice of intent to change their designated clinic or physician.

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

Sec. 72. **62Q.46] PREVENTIVE ITEMS AND SERVICES.**

Subdivision 1. Coverage for preventive items and services. (a) "Preventive items and services" as specified in the Affordable Care Act.

(b) A health plan company must provide coverage for preventive items and services at a participating provider without imposing cost-sharing requirements, including a deductible, coinsurance, or co-payment. Nothing in this section prohibits a health plan company that has a network of providers from excluding coverage or imposing cost-sharing requirements for preventive items or services that are delivered by an out-of-network provider.

(c) A health plan company is not required to provide coverage for any items or services specified in any recommendation or guideline described in paragraph (a) if the recommendation or guideline is no longer included as a preventive item or service as defined in paragraph (a). Annually, a health plan company must determine whether any additional items or services must be covered without cost-sharing requirements or whether any items or services are no longer required to be covered.

(d) Nothing in this section prevents a health plan company from using reasonable medical management techniques to determine the frequency, method, treatment, or setting for a preventive item or service to the extent not specified in the recommendation or guideline.

(e) This section does not apply to grandfathered plan coverage. This section does not apply to plans offered by the Minnesota Comprehensive Health Association.

Subd. 2. Coverage for office visits in conjunction with preventive items and services. (a) A health plan company may impose cost-sharing requirements with respect to an office visit if a preventive item or service is billed separately or is tracked separately as individual encounter data from the office visit.

(b) A health plan company must not impose cost-sharing requirements with respect to an office visit if a preventive item or service is not billed separately or is not tracked separately as individual encounter data from the office visit and the primary purpose of the office visit is the delivery of the preventive item or service.

(c) A health plan company may impose cost-sharing requirements with respect to an office visit if a preventive item or service is not billed separately or is not tracked separately as individual encounter data from the office visit and the primary purpose of the office visit is not the delivery of the preventive item or service.

Subd. 3. Additional services not prohibited. Nothing in these sections prohibits a health plan company from providing coverage for items and services in addition to those specified in the Affordable Care Act. A health plan company may impose cost-sharing requirements for a treatment not described in the Affordable Care Act even if the treatment results from an item or service described in the Affordable Care Act.

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

Sec. 73. Minnesota Statutes 2012, section 62Q.47, is amended to read:

**62Q.47 ALCOHOLISM, MENTAL HEALTH, AND CHEMICAL DEPENDENCY SERVICES.**

(a) All health plans, as defined in section 62Q.01, that provide coverage for alcoholism, mental health, or chemical dependency services, must comply with the requirements of this section.

(b) Cost-sharing requirements and benefit or service limitations for outpatient mental health and outpatient chemical dependency and alcoholism services, except for persons placed in chemical dependency services under Minnesota Rules, parts 9530.6600 to 9530.6660, must not place a greater financial burden on the insured or enrollee, or be more restrictive than those requirements and limitations for outpatient medical services.

(c) Cost-sharing requirements and benefit or service limitations for inpatient hospital mental health and inpatient hospital and residential chemical dependency and alcoholism services, except for persons placed in chemical dependency services under Minnesota Rules, parts 9530.6600 to 9530.6660, must not place a greater financial burden on the insured or enrollee, or be more restrictive than those requirements and limitations for inpatient hospital medical services.

(d) All health plans must meet the requirements of the federal Mental Health Parity Act of 1996, Public Law 104-204, Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008, the Affordable Care Act, and any amendments to, or guidance, or regulations issued under these acts.

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

Sec. 74. Minnesota Statutes 2012, section 62Q.52, is amended to read:

**62Q.52 DIRECT ACCESS TO OBSTETRIC AND GYNECOLOGIC SERVICES.**

Subdivision 1. Direct access. (a) Health plan companies shall allow female enrollees direct access to ~~obstetricians and gynecologists~~ providers who specialize in obstetrics and gynecology for the following services:

(1) ~~annual preventive health examinations, which shall include a gynecologic examination, and any subsequent obstetric or gynecologic visits determined to be medically necessary by the examining obstetrician or gynecologist, based upon the findings of the examination~~ evaluation and necessary treatment for obstetric conditions or emergencies;

(2) maternity care; and

(3) evaluation and necessary treatment for ~~acute~~ gynecologic conditions or emergencies, including annual preventive health examinations.

(b) For purposes of this section, "direct access" means that a female enrollee may obtain the obstetric and gynecologic services specified in paragraph (a) from ~~obstetricians and gynecologists~~ providers who specialize in obstetrics and gynecology in the enrollee's network without a referral from, or prior approval through a primary care provider, another physician, the health plan company, or its representatives.

(c) The health plan company shall treat the provision of obstetrical and gynecological care and the ordering of related obstetrical and gynecological items and services, pursuant to paragraph (a), by a participating health care provider who specializes in obstetrics or gynecology as the authorization of a primary care provider.

(d) The health plan company may require the health care provider to agree to otherwise adhere to the health plan company's policies and procedures, including procedures for obtaining prior authorization and for providing services in accordance with a treatment plan, if any, approved by the health plan company.

~~(e)~~ (e) Health plan companies shall not require higher co-payments, coinsurance, deductibles, or other enrollee cost-sharing for direct access.

~~(f)~~ (f) This section applies only to services described in paragraph (a) that are covered by the enrollee's coverage, but coverage of a preventive health examination for female enrollees must not exclude coverage of a gynecologic examination.

(g) For purposes of this section, a health care provider who specializes in obstetrics or gynecology means any individual, including an individual other than a physician, who is authorized under state law to provide obstetrical or gynecological care.

(h) This section does not:

(1) waive any exclusions of coverage under the terms and conditions of the health plan with respect to coverage of obstetrical or gynecological care; or

(2) preclude the health plan company from requiring that the participating health care provider providing obstetrical or gynecological care notify the primary care provider or the health plan company of treatment decisions.

Subd. 2. **Notice.** A health plan company shall provide notice to enrollees of the provisions of subdivision 1 in accordance with the requirements of the Affordable Care Act.

Subd. 3. **Enforcement.** The commissioner of health shall enforce this section.

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

Sec. 75. **[62Q.526] COVERAGE FOR PARTICIPATION IN APPROVED CLINICAL TRIALS.**

Subdivision 1. **Definitions.** As used in this section, the following definitions apply:

(a) "Approved clinical trial" means phase I, phase II, phase III, or phase IV clinical trial that is conducted in relation to the prevention, detection, or treatment of cancer or a life-threatening condition and is not designed exclusively to test toxicity or disease pathophysiology and must be:

(1) conducted under an investigational new drug application reviewed by the United States Food and Drug Administration (FDA);

(2) exempt from obtaining an investigational new drug application; or

(3) approved or funded by:

(i) the National Institutes of Health (NIH), the Centers for Disease Control and Prevention; the Agency for Health Care Research and Quality, the Centers for Medicare and Medicaid Services, or a cooperating group or center of any of the entities described in this item;

(ii) a cooperative group or center of the United States Department of Defense or the United States Department of Veterans Affairs;

(iii) a qualified nongovernmental research entity identified in the guidelines issued by the NIH for center support grants; or

(iv) the United States Departments of Veterans Affairs, Defense, or Energy if the trial has been reviewed or approved through a system of peer review determined by the secretary to:

(A) be comparable to the system of peer review of studies and investigations used by the NIH; and

(B) provide an unbiased scientific review by qualified individuals who have no interest in the outcome of the review.

(b) "Qualified individual" means an individual with health plan coverage who is eligible to participate in an approved clinical trial according to the trial protocol for the treatment of cancer or a life-threatening condition because:

(1) the referring health care professional is participating in the trial and has concluded that the individual's participation in the trial would be appropriate; or

(2) the individual provides medical and scientific information establishing that the individual's participation in the trial is appropriate because the individual meets the conditions described in the trial protocol.

(c)(1) "Routine patient costs" includes all items and services covered by the health benefit plan of individual market health insurance coverage when the items or services are typically covered for an enrollee who is not a qualified individual enrolled in an approved clinical trial.

(2) Routine patient costs does not include:

(i) an investigational item, device, or service that is part of the trial;

(ii) an item or service provided solely to satisfy data collection and analysis needs for the trial if the item or service is not used in the direct clinical management of the patient;

(iii) a service that is clearly inconsistent with widely accepted and established standards of care for the individual's diagnosis; or

(iv) an item or service customarily provided and paid for by the sponsor of a trial.

**Subd. 2. Prohibited acts.** A health plan company that offers a health plan to a Minnesota resident may not:

(1) deny participation by a qualified individual in an approved clinical trial;

(2) deny, limit, or impose additional conditions on the coverage of routine patient costs for items or services furnished in connection with participation in the trial; or

(3) discriminate against an individual on the basis of an individual's participation in an approved clinical trial.

**Subd. 3. Network plan conditions.** A health plan company that designates a network or networks of contracted providers may require a qualified individual who wishes to participate in an approved clinical trial to participate in a trial that is offered through a health care provider who is part of the plan's network if the provider is participating in the trial and the provider accepts the individual as a participant in the trial.

**Subd. 4. Application to clinical trials outside of the state.** This section applies to a qualified individual residing in this state who participates in an approved clinical trial that is conducted outside of this state.

**Subd. 5. Construction.** (a) This section shall not be construed to require a health plan company offering health plan coverage through a network or networks of contracted providers to provide benefits for routine patient costs if the services are provided outside of the plan's network unless the out-of-network benefits are otherwise provided under the coverage.

(b) This section shall not be construed to limit a health plan company's coverage with respect to clinical trials.

(c) This section shall apply to all health plan companies offering a health plan to a Minnesota resident, unless otherwise amended by federal regulations under the Affordable Care Act.

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

Sec. 76. Minnesota Statutes 2012, section 62Q.55, is amended to read:

**62Q.55 EMERGENCY SERVICES.**

Subdivision 1. Access to emergency services. (a) Enrollees have the right to available and accessible emergency services, 24 hours a day and seven days a week. The health plan company shall inform its enrollees how to obtain emergency care ~~and, if prior authorization for emergency services is required, shall make available a toll-free number, which is answered 24 hours a day, to answer questions about emergency services and to receive reports and provide authorizations, where appropriate,~~ for treatment of emergency medical conditions. Emergency services shall be covered whether provided by participating or nonparticipating providers and whether provided within or outside the health plan company's service area. In reviewing a denial for coverage of emergency services, the health plan company shall take the following factors into consideration:

(1) a reasonable layperson's belief that the circumstances required immediate medical care that could not wait until the next working day or next available clinic appointment;

(2) the time of day and day of the week the care was provided;

(3) the presenting symptoms, including, but not limited to, severe pain, to ensure that the decision to reimburse the emergency care is not made solely on the basis of the actual diagnosis;

(4) the enrollee's efforts to follow the health plan company's established procedures for obtaining emergency care; and

(5) any circumstances that precluded use of the health plan company's established procedures for obtaining emergency care.

(b) The health plan company may require enrollees to notify the health plan company of nonreferred emergency care as soon as possible, but not later than 48 hours, after the emergency care is initially provided. However, emergency care which would have been covered under the contract had notice been provided within the set time frame must be covered.

(c) Notwithstanding paragraphs (a) and (b), a health plan company, ~~health insurer, or health coverage plan~~ that is in compliance with the rules regarding accessibility of services adopted under section 62D.20 is in compliance with this section.

Subd. 2. Emergency medical condition. For purposes of this section, "emergency medical condition" means a medical condition manifesting itself by acute symptoms of sufficient severity, including severe pain, such that a prudent layperson, who possesses an average knowledge of health and medicine, could reasonably expect the absence of immediate medical attention to result in a condition described in clause (i), (ii), or (iii), of section 1867(e)(1)(A) of the Social Security Act.

Subd. 3. Emergency services. As used in this section, "emergency services" means, with respect to an emergency medical condition:

(1) a medical screening examination, as required under section 1867 of the Social Security Act, that is within the capability of the emergency department of a hospital, including ancillary services routinely available to the emergency department to evaluate such emergency medical condition; and

(2) within the capabilities of the staff and facilities available at the hospital, such further medical examination and treatment as are required under section 1867 of the act to stabilize the patient.

Subd. 4. **Stabilize.** For purposes of this section, "stabilize" means, with respect to an emergency medical condition has the meaning given in section 1867(e)(3) of the Social Security Act, United States Code, title 42, section 1395dd(e)(3).

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

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

Sec. 77. **[62Q.57] DESIGNATION OF PRIMARY CARE PROVIDER.**

Subdivision 1. **Choice of primary care provider.** (a) If a health plan company offering a group health plan, or an individual health plan that is not a grandfathered plan, requires or provides for the designation by an enrollee of a participating primary care provider, the health plan company shall permit each enrollee to:

(1) designate any participating primary care provider who is available to accept the enrollee; and

(2) for a child, designate any participating physician who specializes in pediatrics as the child's primary care provider and is available to accept the child.

(b) This section does not waive any exclusions of coverage under the terms and conditions of the health plan with respect to coverage of pediatric care.

Subd. 2. **Notice.** A health plan company shall provide notice to enrollees of the provisions of subdivision 1 in accordance with the requirements of the Affordable Care Act.

Subd. 3. **Enforcement.** The commissioner shall enforce this section.

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

Sec. 78. **[62Q.677] LIFETIME AND ANNUAL LIMITS.**

Subdivision 1. **Applicability and scope.** Except as provided in subdivision 2, this section applies to a health plan company providing coverage under an individual or group health plan. For purposes of this section, essential health benefits means as defined under section 62Q.81.

Subd. 2. **Grandfathered plan limits.** (a) The prohibition on lifetime limits applies to grandfathered plans providing individual health plan coverage or group health plan coverage.

(b) The prohibition and limits on annual limits applies to grandfathered plans providing group health plan coverage, but it does not apply to grandfathered plans providing individual health plan coverage.

Subd. 3. **Prohibition on lifetime and annual limits.** (a) Except as provided in subdivisions 4 and 5, a health plan company offering coverage under an individual or group health plan shall not establish a lifetime limit on the dollar amount of essential health benefits for any individual.

(b) Except as provided in subdivisions 4, 5, and 6, a health plan company shall not establish any annual limit on the dollar amount of essential health benefits for any individual.

Subd. 4. **Nonessential benefits; out-of-network providers.** (a) Subdivision 3 does not prevent a health plan company from placing annual or lifetime dollar limits for any individual on specific covered benefits that are not essential health benefits as defined in section 62E.02 to the extent that the limits are otherwise permitted under applicable federal or state law.

(b) Subdivision 3 does not prevent a health plan company from placing an annual or lifetime limit for services provided by out-of-network providers.

Subd. 5. **Excluded benefits.** This section does not prohibit a health plan company from excluding all benefits for a given condition.

Subd. 6. **Annual limits prior to January 1, 2014.** For plan or policy years beginning before January 1, 2014, for any individual, a health plan company may establish an annual limit on the dollar amount of benefits that are essential health benefits provided the limit is no less than the following:

(1) for a plan or policy year beginning after September 22, 2010, but before September 23, 2011, \$750,000;

(2) for a plan or policy year beginning after September 22, 2011, but before September 23, 2012, \$1,250,000; and

(3) for a plan or policy year beginning after September 22, 2012, but before January 1, 2014, \$2,000,000.

In determining whether an individual has received benefits that meet or exceed the allowable limits, a health plan company shall take into account only essential health benefits.

Subd. 7. **Waivers.** For plan or policy years beginning before January 1, 2014, a health plan is exempt from the annual limit requirements if the health plan is approved for a waiver from the requirements by the United States Department of Health and Human Services, but the exemption only applies for the specified period of time that the waiver from the United States Department of Health and Human Services is applicable.

Subd. 8. **Notices.** (a) At the time a health plan company receives a waiver from the United States Department of Health and Human Services, the health plan company shall notify prospective applicants and affected policyholders and the commissioner in each state where prospective applicants and any affected insured are known to reside.

(b) At the time the waiver expires or is otherwise no longer in effect, the health plan company shall notify affected policyholders and the commissioner in each state where any affected insured is known to reside.

Subd. 9. **Reinstatement.** A health plan company shall comply with all provisions of the Affordable Care Act with regard to reinstatement of coverage for individuals whose coverage or benefits under a health plan ended by reason of reaching a lifetime dollar limit on the dollar value of all benefits for the individual.

Subd. 10. **Compliance.** This section does not require compliance with any provision of the Affordable Care Act before the effective date provided for that provision in the Affordable Care Act. The commissioner shall enforce this section.

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

Sec. 79. Minnesota Statutes 2012, section 62Q.68, subdivision 1, is amended to read:

Subdivision 1. **Application.** For purposes of sections 62Q.68 to 62Q.72, the terms defined in this section have the meanings given them. For purposes of sections 62Q.69 and 62Q.70, the term "health plan company" does not include an insurance company licensed under chapter 60A to offer, sell, or issue a policy of accident and sickness



insurance as defined in section 62A.01 or a nonprofit health service plan corporation regulated under chapter 62C that only provides dental coverage or vision coverage. For purposes of sections 62Q.69 through 62Q.73, the term "health plan company" does not include the Comprehensive Health Association created under chapter 62E. Section 62Q.70 does not apply to individual coverage. However, a health plan company offering individual coverage may, pursuant to section 62Q.69, subdivision 3, paragraph (c), follow the process outlined in section 62Q.70.

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

Sec. 80. Minnesota Statutes 2012, section 62Q.69, subdivision 3, is amended to read:

Subd. 3. **Notification of complaint decisions.** (a) The health plan company must notify the complainant in writing of its decision and the reasons for it as soon as practical but in no case later than 30 days after receipt of a written complaint. If the health plan company cannot make a decision within 30 days due to circumstances outside the control of the health plan company, the health plan company may take up to 14 additional days to notify the complainant of its decision. If the health plan company takes any additional days beyond the initial 30-day period to make its decision, it must inform the complainant, in advance, of the extension and the reasons for the extension.

(b) For group health plans, if the decision is partially or wholly adverse to the complainant, the notification must inform the complainant of the right to appeal the decision to the health plan company's internal appeal process described in section 62Q.70 and the procedure for initiating an appeal.

(c) For individual health plans, if the decision is partially or wholly adverse to the complainant, the notification must inform the complainant of the right to submit the complaint decision to the external review process described in section 62Q.73 and the procedure for initiating the external process. Notwithstanding the provisions in this subdivision, a health plan company offering individual coverage may instead follow the process for group health plans outlined in paragraph (b).

~~(e)~~ (d) The notification must also inform the complainant of the right to submit the complaint at any time to either the commissioner of health or commerce for investigation and the toll-free telephone number of the appropriate commissioner.

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

Sec. 81. Minnesota Statutes 2012, section 62Q.70, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** (a) Each health plan company shall establish an internal appeal process for reviewing a health plan company's decision regarding a complaint filed in accordance with section 62Q.69. The appeal process must meet the requirements of this section. This section applies only to group health plans. However, a health plan company offering individual coverage may, pursuant to section 62Q.69, subdivision 3, paragraph (c), follow the process outlined in this section.

(b) The person or persons with authority to resolve or recommend the resolution of the internal appeal must not be solely the same person or persons who made the complaint decision under section 62Q.69.

(c) The internal appeal process must permit the enrollee to review the information relied upon in the course of the appeal and the receipt of testimony, correspondence, explanations, or other information from the complainant, staff persons, administrators, providers, or other persons as deemed necessary by the person or persons investigating or presiding over the appeal.

(d) The enrollee must be allowed to receive continued coverage pending the outcome of the appeals process.

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

Sec. 82. Minnesota Statutes 2012, section 62Q.70, subdivision 2, is amended to read:

Subd. 2. **Procedures for filing an appeal.** The health plan company must provide notice to enrollees of its internal appeals process in a culturally and linguistically appropriate manner consistent with the provisions of the Affordable Care Act. If a complainant notifies the health plan company of the complainant's desire to appeal the health plan company's decision regarding the complaint through the internal appeal process, the health plan company must provide the complainant the option for the appeal to occur either in writing or by hearing.

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

Sec. 83. Minnesota Statutes 2012, section 62Q.71, is amended to read:

**62Q.71 NOTICE TO ENROLLEES.**

Each health plan company shall provide to enrollees a clear and concise description of its complaint resolution procedure, if applicable under section 62Q.68, subdivision 1, and the procedure used for utilization review as defined under chapter 62M as part of the member handbook, subscriber contract, or certificate of coverage. If the health plan company does not issue a member handbook, the health plan company may provide the description in another written document. The description must specifically inform enrollees:

- (1) how to submit a complaint to the health plan company;
- (2) if the health plan includes utilization review requirements, how to notify the utilization review organization in a timely manner and how to obtain certification for health care services;
- (3) how to request an appeal either through the procedures described in ~~sections 62Q.69 and~~ section 62Q.70 if applicable, or through the procedures described in chapter 62M;
- (4) of the right to file a complaint with either the commissioner of health or commerce at any time during the complaint and appeal process;
- (5) of the toll-free telephone number of the appropriate commissioner; and
- (6) of the right, for individual and group coverage, to obtain an external review under section 62Q.73 and a description of when and how that right may be exercised, including that under most circumstances an enrollee must exhaust the internal complaint or appeal process prior to external review. However, an enrollee may proceed to external review without exhausting the internal complaint or appeal process under the following circumstances:
  - (i) the health plan company waives the exhaustion requirement;
  - (ii) the health plan company is considered to have waived the exhaustion requirement by failing to substantially comply with any requirements including, but not limited to, time limits for internal complaints or appeals; or
  - (iii) the enrollee has applied for an expedited external review at the same time the enrollee qualifies for and has applied for an expedited internal review under chapter 62M.

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

Sec. 84. Minnesota Statutes 2012, section 62Q.73, is amended to read:

**62Q.73 EXTERNAL REVIEW OF ADVERSE DETERMINATIONS.**

Subdivision 1. **Definition.** For purposes of this section, "adverse determination" means:

(1) for individual health plans, a complaint decision relating to a health care service or claim that is partially or wholly adverse to the complainant;

(2) an individual health plan that is grandfathered plan coverage may instead apply the definition of adverse determination for group coverage in clause (3);

(3) for group health plans, a complaint decision relating to a health care service or claim that has been appealed in accordance with section 62Q.70 and the appeal decision is partially or wholly adverse to the complainant;

~~(2)~~ (4) any initial determination not to certify that has been appealed in accordance with section 62M.06 and the appeal did not reverse the initial determination not to certify; or

~~(3)~~ (5) a decision relating to a health care service made by a health plan company licensed under chapter 60A that denies the service on the basis that the service was not medically necessary; or

(6) the enrollee has met the requirements of subdivision 6, paragraph (e).

An adverse determination does not include complaints relating to fraudulent marketing practices or agent misrepresentation.

Subd. 2. **Exception.** (a) This section does not apply to governmental programs except as permitted under paragraph (b). For purposes of this subdivision, "governmental programs" means the prepaid medical assistance program, the MinnesotaCare program, the prepaid general assistance medical care program, the demonstration project for people with disabilities, and the federal Medicare program.

(b) In the course of a recipient's appeal of a medical determination to the commissioner of human services under section 256.045, the recipient may request an expert medical opinion be arranged by the external review entity under contract to provide independent external reviews under this section. If such a request is made, the cost of the review shall be paid by the commissioner of human services. Any medical opinion obtained under this paragraph shall only be used by a state human services referee as evidence in the recipient's appeal to the commissioner of human services under section 256.045.

(c) Nothing in this subdivision shall be construed to limit or restrict the appeal rights provided in section 256.045 for governmental program recipients.

Subd. 3. **Right to external review.** (a) Any enrollee or anyone acting on behalf of an enrollee who has received an adverse determination may submit a written request for an external review of the adverse determination, if applicable under section 62Q.68, subdivision 1, or 62M.06, to the commissioner of health if the request involves a health plan company regulated by that commissioner or to the commissioner of commerce if the request involves a health plan company regulated by that commissioner. Notification of the enrollee's right to external review must accompany the denial issued by the insurer. The written request must be accompanied by a filing fee of \$25. The fee may be waived by the commissioner of health or commerce in cases of financial hardship and must be refunded if the adverse determination is completely reversed. No enrollee may be subject to filing fees totaling more than \$75 during a plan year for group coverage or policy year for individual coverage.

(b) Nothing in this section requires the commissioner of health or commerce to independently investigate an adverse determination referred for independent external review.

(c) If an enrollee requests an external review, the health plan company must participate in the external review. The cost of the external review in excess of the filing fee described in paragraph (a) shall be borne by the health plan company.

(d) The enrollee must request external review within six months from the date of the adverse determination.

Subd. 4. **Contract.** Pursuant to a request for proposal, the commissioner of administration, in consultation with the commissioners of health and commerce, shall contract with ~~an organization~~ at least three organizations or business ~~entity entities~~ to provide independent external reviews of all adverse determinations submitted for external review. The contract shall ensure that the fees for services rendered in connection with the reviews ~~be~~ are reasonable.

Subd. 5. **Criteria.** ~~(a)~~ The request for proposal must require that the entity demonstrate:

(1) no conflicts of interest in that it is not owned, a subsidiary of, or affiliated with a health plan company ~~or~~, utilization review organization, or a trade organization of health care providers;

(2) an expertise in dispute resolution;

(3) an expertise in health-related law;

(4) an ability to conduct reviews using a variety of alternative dispute resolution procedures depending upon the nature of the dispute;

(5) an ability to maintain written records, for at least three years, regarding reviews conducted and provide data to the commissioners of health and commerce upon request on reviews conducted; ~~and~~

(6) an ability to ensure confidentiality of medical records and other enrollee information;

(7) accreditation by nationally recognized private accrediting organization; and

(8) the ability to provide an expedited external review process.

~~(b) The commissioner of administration shall take into consideration, in awarding the contract according to subdivision 4, any national accreditation standards that pertain to an external review entity.~~

Subd. 6. **Process.** (a) Upon receiving a request for an external review, the commissioner shall assign an external review entity on a random basis. The assigned external review entity must provide immediate notice of the review to the enrollee and to the health plan company. Within ten business days of receiving notice of the review, the health plan company and the enrollee must provide the assigned external review entity with any information that they wish to be considered. Each party shall be provided an opportunity to present its version of the facts and arguments. The assigned external review entity must furnish to the health plan company any additional information submitted by the enrollee within one business day of receipt. An enrollee may be assisted or represented by a person of the enrollee's choice.

(b) As part of the external review process, any aspect of an external review involving a medical determination must be performed by a health care professional with expertise in the medical issue being reviewed.

(c) An external review shall be made as soon as practical but in no case later than ~~40~~ 45 days after receiving the request for an external review and must promptly send written notice of the decision and the reasons for it to the enrollee, the health plan company, and the commissioner who is responsible for regulating the health plan company.

(d) The external review entity and the clinical reviewer assigned must not have a material professional, familial, or financial conflict of interest with:

(1) the health plan company that is the subject of the external review;

(2) the enrollee, or any parties related to the enrollee, whose treatment is the subject of the external review;

(3) any officer, director, or management employee of the health plan company;

(4) a plan administrator, plan fiduciaries, or plan employees;

(5) the health care provider, the health care provider's group, or practice association recommending treatment that is the subject of the external review;

(6) the facility at which the recommended treatment would be provided; or

(7) the developer or manufacturer of the principle drug, device, procedure, or other therapy being recommended.

(e)(1) An expedited external review must be provided if the enrollee requests it after receiving:

(i) an adverse determination that involves a medical condition for which the time frame for completion of an expedited internal appeal would seriously jeopardize the life or health of the enrollee or would jeopardize the enrollee's ability to regain maximum function and the enrollee has simultaneously requested an expedited internal appeal;

(ii) an adverse determination that concerns an admission, availability of care, continued stay, or health care service for which the enrollee received emergency services but has not been discharged from a facility; or

(iii) an adverse determination that involves a medical condition for which the standard external review time would seriously jeopardize the life or health of the enrollee or jeopardize the enrollee's ability to regain maximum function.

(2) The external review entity must make its expedited determination to uphold or reverse the adverse determination as expeditiously as possible but within no more than 72 hours after the receipt of the request for expedited review and notify the enrollee and the health plan company of the determination.

(3) If the external review entity's notification is not in writing, the external review entity must provide written confirmation of the determination within 48 hours of the notification.

Subd. 7. **Standards of review.** (a) For an external review of any issue in an adverse determination that does not require a medical necessity determination, the external review must be based on whether the adverse determination was in compliance with the enrollee's health benefit plan.

(b) For an external review of any issue in an adverse determination by a health plan company licensed under chapter 62D that requires a medical necessity determination, the external review must determine whether the adverse determination was consistent with the definition of medically necessary care in Minnesota Rules, part 4685.0100, subpart 9b.

(c) For an external review of any issue in an adverse determination by a health plan company, other than a health plan company licensed under chapter 62D, that requires a medical necessity determination, the external review must determine whether the adverse determination was consistent with the definition of medically necessary care in section 62Q.53, subdivision 2.

(d) For an external review of an adverse determination involving experimental or investigational treatment, the external review entity must base its decision on all documents submitted by the health plan company and enrollee, including medical records the attending physician or health care professional's recommendation, consulting reports from health care professionals, the terms of coverage, federal Food and Drug Administration approval, and medical or scientific evidence or evidence-based standards.

Subd. 8. **Effects of external review.** A decision rendered under this section shall be nonbinding on the enrollee and binding on the health plan company. The health plan company may seek judicial review of the decision on the grounds that the decision was arbitrary and capricious or involved an abuse of discretion.

Subd. 9. **Immunity from civil liability.** A person who participates in an external review by investigating, reviewing materials, providing technical expertise, or rendering a decision shall not be civilly liable for any action that is taken in good faith, that is within the scope of the person's duties, and that does not constitute willful or reckless misconduct.

Subd. 10. **Data reporting.** The commissioners shall make available to the public, upon request, summary data on the decisions rendered under this section, including the number of reviews heard and decided and the final outcomes. Any data released to the public must not individually identify the enrollee initiating the request for external review.

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

Sec. 85. Minnesota Statutes 2012, section 62Q.75, subdivision 1, is amended to read:

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

(b) "Clean claim" means a claim that has no defect or impropriety, including any lack of any required substantiating documentation, including, but not limited to, coordination of benefits information, or particular circumstance requiring special treatment that prevents timely payment from being made on a claim under this section. A special circumstance includes, but is not limited to, a claim held pending payment of an overdue premium for the time period during which the expense was incurred as allowed by the Affordable Care Act. Nothing in this section alters an enrollee's obligation to disclose information as required by law.

(c) "Third-party administrator" means a third-party administrator or other entity subject to section 60A.23, subdivision 8, and Minnesota Rules, chapter 2767.

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

Sec. 86. Minnesota Statutes 2012, section 62Q.80, subdivision 2, is amended to read:

Subd. 2. **Definitions.** For purposes of this section, the following definitions apply:

(a) "Community-based" means located in or primarily relating to the community, as determined by the board of a community-based health initiative that is served by the community-based health care coverage program.

(b) "Community-based health care coverage program" or "program" means a program administered by a community-based health initiative that provides health care services through provider members of a community-based health network or combination of networks to eligible individuals and their dependents who are enrolled in the program.

(c) "Community-based health initiative" or "initiative" means a nonprofit corporation that is governed by a board that has at least 80 percent of its members residing in the community and includes representatives of the participating network providers and employers, or a county-based purchasing organization as defined in section 256B.692.

(d) "Community-based health network" means a contract-based network of health care providers organized by the community-based health initiative to provide or support the delivery of health care services to enrollees of the community-based health care coverage program on a risk-sharing or nonrisk-sharing basis.

(e) "Dependent" means an eligible employee's spouse or ~~unmarried~~ child who is under the age of ~~19~~ 26 years.

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

Sec. 87. **[62Q.81] ESSENTIAL HEALTH BENEFIT PACKAGE REQUIREMENTS.**

**Subdivision 1. Essential health benefits package.** (a) Health plan companies offering individual and small group health plans must include the essential health benefits package required under section 1302(a) of the Affordable Care Act and as described in this subdivision.

**(b) The essential health benefits package means coverage that:**

**(1) provides essential health benefits as outlined in the Affordable Care Act;**

**(2) limits cost-sharing for such coverage in accordance with the Affordable Care Act, as described in subdivision 2; and**

**(3) subject to subdivision 3, provides bronze, silver, gold, or platinum level of coverage in accordance with the Affordable Care Act.**

**Subd. 2. Coverage for enrollees under the age of 21.** If a health plan company offers any level of coverage specified under section 1302(d) of the Affordable Care Act, as described in subdivision 1, paragraph (b), clause (3), the health plan company shall also offer coverage in that level in a health plan in which the only enrollees are children who, as of the beginning of a policy year, have not attained the age of 21 years.

**Subd. 3. Alternative compliance for catastrophic plans.** A health plan company that does not provide an individual or small group health plan in the bronze, silver, gold, or platinum level of coverage, as described in subdivision 1, paragraph (b), clause (3), shall be treated as meeting the requirements of section 1302(d) of the Affordable Care Act with respect to any policy year if the health plan company provides a catastrophic plan that meets the requirements of section 1302(e) of the Affordable Care Act.

**Subd. 4. Essential health benefits; definition.** For purposes of this section, "essential health benefits" has the meaning given under section 1302(b) of the Affordable Care Act, and includes:

**(1) ambulatory patient services;**

**(2) emergency services;**

**(3) hospitalization;**

**(4) laboratory services;**

**(5) maternity and newborn care;**

**(6) mental health and substance abuse disorder services, including behavioral health treatment;**

**(7) pediatric services, including oral and vision care;**

**(8) prescription drugs;**

**(9) preventive and wellness services and chronic disease management;**

(10) rehabilitative and habilitative services and devices; and

(11) any other services or items defined as essential health benefits under the Affordable Care Act.

Subd. 5. **Exception.** This section does not apply to a dental plan described in section 1311(d)(2)(B)(ii) of the Affordable Care Act.

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

Sec. 88. **[62Q.82] BENEFITS AND COVERAGE EXPLANATION.**

Subdivision 1. **Summary.** Health plan companies offering health plans shall provide a summary of benefits and coverage explanation as required by the Affordable Care Act to:

(1) an applicant at the time of application;

(2) an enrollee prior to the time of enrollment or reenrollment, as applicable; and

(3) a policyholder at the time of issuance of the policy.

Subd. 2. **Compliance.** A health plan company described in subdivision 1 shall be deemed to have complied with subdivision 1 if the summary of benefits and coverage is provided in paper or electronic form.

Subd. 3. **Notice of modification.** Except in connection with a policy renewal or reissuance, if a health plan company makes any material modifications in any of the terms of the coverage, as defined for purposes of section 102 of the federal Employee Retirement Income Security Act of 1974, as amended, that is not reflected in the most recently provided summary of benefits and coverage, the health plan company shall provide notice of the modification to enrollees not later than 60 days prior to the date on which the modification will become effective.

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

Sec. 89. Minnesota Statutes 2012, section 72A.20, subdivision 35, is amended to read:

Subd. 35. **Determination of health plan policy limits.** Any health plan under section 62A.011, subdivision 3, that includes a specific policy limit within its insurance policy, certificate, or subscriber agreement shall calculate the policy limit by using the amount actually paid on behalf of the insured, subscriber, or dependents for services covered under the policy, subscriber agreement, or certificate unless the amount paid is greater than the billed charge. This provision does not permit the application of a specific policy limit within a health plan where the limit is prohibited under the Affordable Care Act as defined in section 62A.011, subdivision 1a.

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

Sec. 90. Minnesota Statutes 2012, section 471.61, subdivision 1a, is amended to read:

Subd. 1a. **Dependents.** Notwithstanding the provisions of Minnesota Statutes 1969, section 471.61, as amended by Laws 1971, chapter 451, section 1, the word "dependents" as used therein shall mean spouse and ~~minor unmarried~~ children under the age of ~~18~~ 26 years and ~~dependent students under the age of 25 years actually dependent upon the employee.~~

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



Sec. 91. **REPEALER.**

(a) Minnesota Statutes 2012, section 62E.02, subdivision 7, is repealed effective the day following final enactment.

(b) Minnesota Statutes 2012, sections 62A.65, subdivision 6; 62E.16; 62E.20; 62L.02, subdivisions 4, 18, 19, 23, and 24; 62L.05, subdivisions 1, 2, 3, 4, 4a, 5, 6, 7, 11, 12, and 13; 62L.081; 62L.10, subdivision 5; and 62Q.37, subdivision 5, are repealed effective January 1, 2014."

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 Policy.

The report was adopted.

Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 4, H. F. No. 978 was re-referred to the Committee on Rules and Legislative Administration.

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

H. F. No. 1002, A bill for an act relating to health occupations; establishing a criminal background check process for individuals licensed by the health-related licensing boards and the commissioner of health; appropriating money; amending Minnesota Statutes 2012, section 13.411, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 214.

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

The report was adopted.

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

H. F. No. 1020, A bill for an act relating to human services; creating the Emerging Adulthood Task Force.

Reported the same back with the following amendments:

Page 3, line 4, delete "the day following the" and insert "June 30, 2014."

Page 3, delete line 5

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. 1036, A bill for an act relating to motor vehicles; regulating salvage titles; amending Minnesota Statutes 2012, section 168A.01, subdivision 6a.

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.

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

H. F. No. 1050, A bill for an act relating to local government; appropriating money for a grant to the city of Hugo to study the feasibility of a regional sewer and water system.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **HUGO; REGIONAL SEWER AND WATER SYSTEM FEASIBILITY STUDY.**

(a) The cities of Centerville, Circle Pines, Columbus, Hugo, Lino Lakes, and Lexington may conduct a feasibility study to evaluate:

(1) the costs, benefits, sustainability, and potential for growth in the existing separate water, sewer, or water and sewer systems, including environmental costs and benefits;

(2) the costs, benefits, advantages, and disadvantages of operating a regional water supply system, a regional sanitary sewer system, or both;

(3) the infrastructure needed to be improved, added, or replaced to establish a regional system, the estimated capital costs, and potential financing sources;

(4) the estimated operating costs of a regional system and the fee structure needed to pay for the regional system's operations, maintenance, and periodic capital improvements;

(5) the benefits to aquifer management and the sustainability of water supply for the cities; and

(6) any other information determined by the cities to be necessary or useful.

The cities must consult with state and regional agencies with expertise in water and wastewater infrastructure funding and construction, including the Metropolitan Water Supply Advisory Committee, for advice on what should be included in the feasibility study.

(b) The city of Hugo, with cooperation from the other participating cities, shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over water and wastewater treatment infrastructure and funding on the results of the feasibility study and any recommendations for evaluating and implementing a regional water and wastewater system in other areas of the state. The report must be submitted by January 15 of the year following completion of the feasibility study.

(c) \$..... is appropriated from the general fund to the Metropolitan Council in fiscal year 2014, and available until June 30, 2015, for a grant to the city of Hugo to study the feasibility of establishing a regional sewer, water, or sewer and water system. The appropriation is not available until the council determines that Hugo and at least four of the following five cities have each adopted resolutions to cooperate with each other in conducting the study: Centerville, Circle Pines, Columbus, Lino Lakes, and Lexington. The grant agreement must require that at least ten percent of the cost of the feasibility study be paid for by the participating cities, and that each participating city commit to contributing money to help pay for the feasibility study."

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. 1051, A bill for an act relating to public safety; clarifying certain statutory provisions relating to crime victim rights and programs; providing for a restitution working group; amending Minnesota Statutes 2012, sections 611A.0315; 611A.036, subdivision 7; 629.72, subdivisions 1, 2, 6, 7; 629.73; proposing coding for new law in Minnesota Statutes, chapter 13.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Judiciary Finance and Policy.

The report was adopted.

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

H. F. No. 1065, A bill for an act relating to natural resources; creating the Greater Minnesota Parks and Trails Commission; appropriating money; amending Minnesota Statutes 2012, section 160.266, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 85; repealing Minnesota Statutes 2012, section 85.535.

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; or

(26) member of the Greater Minnesota Regional Parks and Trails Commission.

Sec. 2. **[85.536] GREATER MINNESOTA REGIONAL PARKS AND TRAILS COMMISSION.**

Subdivision 1. **Establishment; purpose.** The Greater Minnesota Regional Parks and Trails Commission is created to undertake system planning and provide recommendations to the legislature for grants funded by the parks and trails fund to counties and cities outside of the seven-county metropolitan area for parks and trails of regional significance.

Subd. 2. **Commission.** The commission shall include 12 members appointed by the governor representing each of the regional parks and trails districts determined under subdivision 3. Membership terms, compensation and removal of members, and filling of vacancies are as provided in section 15.0575.

Subd. 3. **Districts; plans and hearings.** (a) The commissioner of natural resources, in consultation with the Greater Minnesota Regional Parks and Trails Commission, shall establish 12 regional parks and trails districts in the state encompassing the area outside the seven-county metropolitan area. The commissioner shall establish districts by combining counties and may not assign a county to more than one district.

(b) Counties within each district may jointly prepare, after consultation with all affected municipalities, and submit to the commission, and from time to time revise and resubmit to the commission, a master plan for the acquisition and development of parks and trails of regional significance located within the district. The counties, after consultation with the commission, shall jointly hold a public hearing on the proposed plan and budget at a time and place determined by the counties. Not less than 15 days before the hearing, the counties shall provide notice of the hearing stating the date, time, and place of the hearing, and the place where the proposed plan and budget may be examined by any interested person. At any hearing, interested persons shall be permitted to present their views on the plan and budget.

(c) The commission shall review each master plan to determine whether it meets the conditions of subdivision 4. If it does not, the commission shall return the plan with its comments to the district for revision and resubmittal.

Subd. 4. **Regional significance.** For a park or trail to be considered of regional significance under this section:

(1) the park or trail must be natural resource based;

(2) at least 30 percent of the park or trail user visits in a calendar year must be from users who do not reside within the area of jurisdiction of the governmental unit that has the financial and legal responsibility to own, operate, and maintain the park or trail;

(3) the total usage of the park or trail must exceed 20,000 visitors in a one-year period. Park or trail attendance may be demonstrated by validated survey methods, actual user data statistics, or another objective and quantifiable measure that is accurate and reliable;

(4) for parks, the park must be at least 100 acres in size; and

(5) for trails, the trail connects or will connect to existing state or regional trails as demonstrated by the applicant.

Subd. 5. **Recommendations.** (a) In recommending grants under this section, the commission shall make recommendations consistent with master plans.

(b) The commission shall determine recommended grant amounts through an adopted merit-based evaluation process that includes the level of local financial support. The evaluation process is not subject to the rulemaking provisions of chapter 14 and section 14.386 does not apply.

(c) When recommending grants, the commission shall consider balance of the grant benefits across greater Minnesota. Grant requests offering a nonstate match of at least 25 percent of the total eligible project costs shall be preferred.

(d) Grants may be recommended only for:

(1) parks and trails included in a plan approved by the commission under subdivision 3; and

(2) trails that connect or will connect to existing state or regional trails as demonstrated by the applicant.

Subd. 6. **Administration.** The Department of Natural Resources shall provide administrative support for the commission.

Subd. 7. **Chair.** The commission shall annually elect from among its members a chair and other officers necessary for the performance of its duties.

Subd. 8. **Meetings.** The commission shall meet at least twice each year. Commission meetings are subject to chapter 13D.

Subd. 9. **Conflict of interest.** A member of the commission may not participate in or vote on a decision of the commission relating to an organization in which the member has either a direct or indirect financial interest.

Subd. 10. **Definitions.** For purposes of this section, "commission" means the Greater Minnesota Regional Parks and Trails Commission established under this section."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 2, after "Minnesota" insert "Regional"

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

Correct the title numbers accordingly

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

The report was adopted.

Murphy, M., from the Committee on State Government Finance and Veterans Affairs to which was referred:

H. F. No. 1069, A bill for an act relating to state government; ratifying labor agreements and compensation plans.

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

The report was adopted.

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

H. F. No. 1081, A bill for an act relating to forfeiture; shifting the burden of proof to the prosecutor in an innocent owner case involving off-highway vehicles, DWI, designated offenses, controlled substance offenses, fleeing offenses, and prostitution offenses; codifying and expanding the homestead exemption; allowing innocent owners to reclaim vehicle if equipped with ignition interlock device; creating criminal penalties; amending Minnesota Statutes 2012, sections 84.7741, subdivision 7; 169A.63, subdivisions 4, 7, 9; 609.531, subdivision 1, by adding subdivisions; 609.5311, subdivision 3; 609.5312, subdivisions 2, 3, 4; 609.5318, subdivision 5.

Reported the same back with the following amendments:

Page 2, delete section 2

Page 6, lines 32 and 35, delete "blind" and insert "ignorant"

Page 7, line 26, delete "blind" and insert "ignorant"

Page 8, line 29, delete "blind" and insert "ignorant"

Page 9, line 10, delete "may" and insert "shall"

Page 14, after line 15, insert:

"Sec. 15. **CONSTRUCTION OF TERM.**

A court construing the term "willfully ignorant" as used in this act shall consider the term as being synonymous with the term "willfully blind" as that term is used in federal forfeiture law."

Renumber the sections in sequence and correct internal references

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.

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

H. F. No. 1082, A bill for an act relating to forfeiture; requiring a conviction for judicial forfeiture of property associated with controlled substance offenses and vehicles used in drive-by shootings; eliminating presumption for administrative forfeiture; amending Minnesota Statutes 2012, sections 609.531, subdivision 6a; 609.5313; 609.5314, subdivisions 2, 3; 609.5316, subdivision 3; 609.5318, subdivision 1; repealing Minnesota Statutes 2012, section 609.5314, subdivision 1.

Reported the same back with the following amendments:

Page 1, lines 15 and 17, before the period, insert "or an admission of guilt incident to a criminal judicial proceeding pursuant to Rules of Criminal Procedure, rule 14"

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.

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

H. F. No. 1117, A bill for an act relating to human services; modifying provisions related to chemical and mental health and human services licensing; establishing methadone treatment program standards; modifying drug treatment provisions; amending Minnesota Statutes 2012, sections 152.126, subdivision 6; 254B.04, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 245A.

Reported the same back with the following amendments:

Page 2, after line 11, insert:

"(c) "Guest dose or dosing" means the practice of administering a medication used for the treatment of opioid addiction to a person who is not a client of the program that is administering or dispensing the medication.

(d) "Medical director" means a physician, licensed to practice medicine in the jurisdiction in which the opioid treatment program is located, who assumes responsibility for administering all medical services performed by the program, either by performing them directly or by delegating specific responsibility to authorized program physicians and health care professionals functioning under the medical director's direct supervision."

Page 2, line 12, delete "(c)" and insert "(e)"

Page 2, line 14, delete "(d)" and insert "(f)"

Page 2, line 17, delete "(e)" and insert "(g)"

Page 2, line 18, delete "(f)" and insert "(h)"

Page 2, line 21, delete "(g)" and insert "(i)"

Page 2, line 23, delete "(h)" and insert "(j)"

Page 2, line 27, delete "by" and insert "from"

Page 2, line 34, delete everything after the period and insert "The license holder must report to the commissioner any medication error that endangers a patient's health, as determined by the medical director."

Page 2, delete line 35

Page 4, line 25, delete everything after "dosing."

Page 4, delete lines 26 to 27

Page 5, delete subdivision 10 and insert:

"Subd. 10. **Nonmedication treatment services; documentation.** (a) The program must offer at least 50 consecutive minutes of individual or group therapy treatment services as defined in Minnesota Rules, part 9530.6430, subpart 1, item A, subitem (1), per week, for the first ten weeks following admission, and at least 50 consecutive minutes per month thereafter. As clinically appropriate, the program may offer these services cumulatively and not consecutively in increments of no less than 15 minutes over the required time period, and for a total of 60 minutes of treatment services over the time period, and must document the reason for providing services cumulatively in the client's record. The program may offer additional levels of service when deemed clinically necessary.



(b) Notwithstanding the requirements of individual treatment plans set forth in Minnesota Rules, part 9530.6425:

(1) treatment plan contents for maintenance clients are not required to include goals the client must reach to complete treatment and have services terminated;

(2) treatment plans for clients in a taper or detox status must include goals the client must reach to complete treatment and have services terminated;

(3) for the initial ten weeks after admission for all new admissions, readmissions, and transfers, progress notes must be entered in a client's file at least weekly and be recorded in each of the six dimensions upon the development of the treatment plan and thereafter. Subsequently, the counselor must document progress no less than one time monthly, recorded in the six dimensions or when clinical need warrants more frequent notations; and

(4) treatment plan reviews must occur weekly, or after each treatment service, whichever is less frequent, for the first ten weeks of treatment for all new admissions, readmissions, and transfers. Following the first ten weeks of treatment, treatment plan reviews may occur monthly, unless the client has needs that warrant more frequent revisions or documentation."

Page 5, line 27, after "that" insert "the Department of Human Services and"

Page 5, line 34, delete "monthly" and insert "quarterly" and after the period, insert "When the PMP data shows a recent history of multiple prescribers or multiple prescriptions for controlled substances, then subsequent reviews of the PMP data must occur monthly and be documented in the client's individual file. If, at any time, the medical director believes the use of the controlled substances places the client at risk of harm, the program must seek the client's consent to discuss the client's opioid treatment with other prescribers and must seek consent for the other prescriber to disclose to the opioid treatment programs' medical director the client's condition that formed the basis of the other prescriptions."

Page 6, delete lines 3 to 14 and insert:

"(b) The commissioner shall collaborate with the Minnesota Board of Pharmacy to develop and implement an electronic system through which the commissioner shall routinely access the data from the Minnesota Board of Pharmacy prescription monitoring program established under section 152.126 for the purpose of determining whether any client enrolled in an opioid addiction treatment program licensed according to this section has also been prescribed or dispensed a controlled substance in addition to that administered or dispensed by the opioid addiction treatment program. When the commissioner determines there have been multiple prescribers or multiple prescriptions of controlled substances, the commissioner shall:

(1) inform the medical director of the opioid treatment program only that the commissioner determined the existence of multiple prescribers or multiple prescriptions of controlled substances; and

(2) direct the medical director of the opioid treatment program to access the data directly, review the effect of the multiple prescribers or multiple prescriptions, and document the review.

(c) If determined necessary, the commissioner shall seek a federal waiver of, or exception to, any applicable provision of Code of Federal Regulations, title 42, part 2.34, item (c), prior to implementing this paragraph."

Page 6, line 23, delete everything after the period

Page 6, delete line 24

Page 10, line 16, before "The" insert "With available appropriations,"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1136, A bill for an act relating to health; changing licensing requirements for businesses regulated by the Board of Pharmacy; clarifying requirements for compounding; amending Minnesota Statutes 2012, sections 151.01, subdivisions 14, 30, by adding subdivisions; 151.19, subdivisions 1, 3; 151.44; 151.47, subdivision 1, by adding a subdivision; 151.49; proposing coding for new law in Minnesota Statutes, chapter 151; repealing Minnesota Statutes 2012, sections 151.19, subdivision 2; 151.25; 151.45; 151.47, subdivision 2; 151.48.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2012, section 151.19, subdivision 1, is amended to read:

Subdivision 1. **Pharmacy registration licensure requirements.** ~~The board shall require and provide for the annual registration of every pharmacy now or hereafter doing business within this state. Upon the payment of any applicable fee specified in section 151.065, the board shall issue a registration certificate in such form as it may prescribe to such persons as may be qualified by law to conduct a pharmacy. Such certificate shall be displayed in a conspicuous place in the pharmacy for which it is issued and expire on the 30th day of June following the date of issue. It shall be unlawful for any person to conduct a pharmacy unless such certificate has been issued to the person by the board.~~ (a) No person shall operate a pharmacy without first obtaining a license from the board and paying any applicable fee specified in section 151.065. The license shall be displayed in a conspicuous place in the pharmacy for which it is issued and expires on June 30 following the date of issue. It is unlawful for any person to operate a pharmacy unless the license has been issued to the person by the board.

(b) Application for a pharmacy license under this section shall be made in a manner specified by the board.

(c) No license shall be issued or renewed for a pharmacy located within the state unless the applicant agrees to operate the pharmacy in a manner prescribed by federal and state law and according to rules adopted by the board. No license shall be issued for a pharmacy located outside of the state unless the applicant agrees to operate the pharmacy in a manner prescribed by federal law and, when dispensing medications for residents of this state, the laws of this state and Minnesota Rules.

(d) No license shall be issued or renewed for a pharmacy that is required to be licensed or registered by the state in which it is physically located unless the applicant supplies the board with proof of such licensure or registration.

(e) The board shall require a separate license for each pharmacy located within the state and for each pharmacy located outside of the state at which any portion of the dispensing process occurs for drugs dispensed to residents of this state.

(f) The board shall not issue an initial or renewed license for a pharmacy unless the pharmacy passes an inspection conducted by an authorized representative of the board. In the case of a pharmacy located outside of the state, the board may require the applicant to pay the cost of the inspection, in addition to the license fee in section 151.065, unless the applicant furnishes the board with a report, issued by the appropriate regulatory agency of the state in which the facility is located, of an inspection that has occurred within the 24 months immediately preceding receipt of the license application by the board. The board may deny licensure unless the applicant submits documentation satisfactory to the board that any deficiencies noted in an inspection report have been corrected.

(g) The board shall not issue an initial or renewed license for a pharmacy located outside of the state unless the applicant discloses and certifies:

(1) the location, names, and titles of all principal corporate officers and all pharmacists who are involved in dispensing drugs to residents of this state;

(2) that it maintains its records of drugs dispensed to residents of this state so that the records are readily retrievable from the records of other drugs dispensed;

(3) that it agrees to cooperate with, and provide information to, the board concerning matters related to dispensing drugs to residents of this state;

(4) that, during its regular hours of operation, but no less than six days per week, for a minimum of 40 hours per week, a toll-free telephone service is provided to facilitate communication between patients in this state and a pharmacist at the pharmacy who has access to the patients' records. The toll-free number must be disclosed on the label affixed to each container of drugs dispensed to residents of this state; and

(5) that, upon request of a resident of a long-term care facility located in this state, the resident's authorized representative, or a contract pharmacy or licensed health care facility acting on behalf of the resident, the pharmacy will dispense medications prescribed for the resident in unit-dose packaging or, alternatively, comply with section 151.415, subdivision 5.

Sec. 2. Minnesota Statutes 2012, section 151.19, subdivision 3, is amended to read:

~~Subd. 3. **Sale of federally restricted medical gases.** The board shall require and provide for the annual registration of every person or establishment not licensed as a pharmacy or a practitioner engaged in the retail sale or distribution of federally restricted medical gases. Upon the payment of any applicable fee specified in section 151.065, the board shall issue a registration certificate in such form as it may prescribe to those persons or places that may be qualified to sell or distribute federally restricted medical gases. The certificate shall be displayed in a conspicuous place in the business for which it is issued and expire on the date set by the board. It is unlawful for a person to sell or distribute federally restricted medical gases unless a certificate has been issued to that person by the board.~~ (a) A person or establishment not licensed as a pharmacy or a practitioner shall not engage in the retail sale or distribution of federally restricted medical gases without first obtaining a registration from the board and paying the applicable fee specified in section 151.065. The registration shall be displayed in a conspicuous place in the business for which it is issued and expires on the date set by the board. It is unlawful for a person to sell or distribute federally restricted medical gases unless a certificate has been issued to that person by the board.

(b) Application for a medical gas distributor registration under this section shall be made in a manner specified by the board.

(c) No registration shall be issued or renewed for a medical gas distributor located within the state unless the applicant agrees to operate in a manner prescribed by federal and state law and according to the rules adopted by the board. No license shall be issued for a medical gas distributor located outside of the state unless the applicant agrees to operate in a manner prescribed by federal law and, when distributing medical gases for residents of this state, the laws of this state and Minnesota Rules.

(d) No registration shall be issued or renewed for a medical gas distributor that is required to be licensed or registered by the state in which it is physically located unless the applicant supplies the board with proof of the licensure or registration. The board may, by rule, establish standards for the registration of a medical gas distributor that is not required to be licensed or registered by the state in which it is physically located.

(e) The board shall require a separate registration for each medical gas distributor located within the state and for each facility located outside of the state from which medical gases are distributed to residents of this state.

(f) The board shall not issue an initial or renewed registration for a medical gas distributor unless the medical gas distributor passes an inspection conducted by an authorized representative of the board. In the case of a medical gas distributor located outside of the state, the board may require the applicant to pay the cost of the inspection, in addition to the license fee in section 151.065, unless the applicant furnishes the board with a report, issued by the appropriate regulatory agency of the state in which the facility is located, of an inspection that has occurred within the 24 months immediately preceding receipt of the license application by the board. The board may deny licensure unless the applicant submits documentation satisfactory to the board that any deficiencies noted in an inspection report have been corrected.

Sec. 3. **[151.252] LICENSING OF DRUG MANUFACTURERS; FEES; PROHIBITIONS.**

Subdivision 1. **Requirements.** (a) No person shall act as a manufacturer without first obtaining a license from the board and paying any applicable fee specified in section 151.065.

(b) Application for a manufacturer license under this section shall be made in a manner specified by the board.

(c) No license shall be issued or renewed for a manufacturer unless the applicant agrees to operate in a manner prescribed by federal and state law and according to Minnesota Rules.

(d) No license shall be issued or renewed for a manufacturer that is required to be registered pursuant to United State Code, title 21, section 360, unless the applicant supplies the board with proof of registration. The board may establish by rule the standards for licensure of manufacturers that are not required to be registered under United States Code, title 21, section 360.

(e) No license shall be issued or renewed for a manufacturer that is required to be licensed or registered by the state in which it is physically located unless the applicant supplies the board with proof of licensure or registration. The board may establish, by rule, standards for the licensure of a manufacturer that is not required to be licensed or registered by the state in which it is physically located.

(f) The board shall require a separate license for each facility located within the state at which manufacturing occurs and for each facility located outside of the state at which drugs that are shipped into the state are manufactured.

(g) The board shall not issue an initial or renewed license for a manufacturing facility unless the facility passes an inspection conducted by an authorized representative of the board. In the case of a manufacturing facility located outside of the state, the board may require the applicant to pay the cost of the inspection, in addition to the license fee in section 151.065, unless the applicant furnishes the board with a report, issued by the appropriate regulatory agency of the state in which the facility is located or by the United States Food and Drug Administration, of an inspection that has occurred within the 24 months immediately preceding receipt of the license application by the board. The board may deny licensure unless the applicant submits documentation satisfactory to the board that any deficiencies noted in an inspection report have been corrected.

Subd. 2. **Prohibition.** It is unlawful for any person engaged in manufacturing to sell legend drugs to anyone located in this state except as provided in this chapter.

Sec. 4. Minnesota Statutes 2012, section 151.37, subdivision 4, is amended to read:

Subd. 4. **Research.** (a) Any qualified person may use legend drugs in the course of a bona fide research project, but cannot administer or dispense such drugs to human beings unless such drugs are prescribed, dispensed, and administered by a person lawfully authorized to do so.

(b) Drugs may be dispensed by a pharmacy licensed by the board for use by, or administration to, patients enrolled in a bona fide research study that is being conducted pursuant to either an investigational new drug application approved by the United States Food and Drug Administration or that has been approved by an institutional review board. The protocol for the study shall be considered a prescription drug order and the drug labeled as required in the protocol. Dispensing of research drugs shall not be considered compounding or manufacturing or the sale of a drug at wholesale under this chapter.

Sec. 5. Minnesota Statutes 2012, section 151.47, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** (a) All wholesale drug distributors are subject to the requirements ~~in paragraphs (a) to (f) of this subdivision.~~

~~(a)~~ (b) No person or distribution outlet shall act as a wholesale drug distributor without first obtaining a license from the board and paying any applicable fee specified in section 151.065.

(c) Application for a wholesale drug distributor license under this section shall be made in a manner specified by the board.

~~(b)~~ (d) No license shall be issued or renewed for a wholesale drug distributor to operate unless the applicant agrees to operate in a manner prescribed by federal and state law and according to the rules adopted by the board.

~~(c) The board may require a separate license for each facility directly or indirectly owned or operated by the same business entity within the state, or for a parent entity with divisions, subsidiaries, or affiliate companies within the state, when operations are conducted at more than one location and joint ownership and control exists among all the entities.~~

(e) No license may be issued or renewed for a drug wholesale distributor that is required to be licensed or registered by the state in which it is physically located unless the applicant supplies the board with proof of licensure or registration. The board may establish, by rule, standards for the licensure of a drug wholesale distributor that is not required to be licensed or registered by the state in which it is physically located.

(f) The board shall require a separate license for each drug wholesale distributor facility located within the state and for each drug wholesale distributor facility located outside of the state from which drugs are shipped into the state or to which drugs are reverse distributed.

(g) The board shall not issue an initial or renewed license for a drug wholesale distributor facility unless the facility passes an inspection conducted by an authorized representative of the board. In the case of a drug wholesale distributor facility located outside of the state, the board may require the applicant to pay the cost of the inspection, in addition to the license fee in section 151.065, unless the applicant furnishes the board with a report, issued by the appropriate regulatory agency of the state in which the facility is located, of an inspection that has occurred within the 24 months immediately preceding receipt of the license application by the board. The board may deny licensure unless the applicant submits documentation satisfactory to the board that any deficiencies noted in an inspection report have been corrected.

~~(d)~~ (h) As a condition for receiving and retaining a wholesale drug distributor license issued under sections 151.42 to 151.51, an applicant shall satisfy the board that it has and will continuously maintain:

(1) adequate storage conditions and facilities;

(2) minimum liability and other insurance as may be required under any applicable federal or state law;

(3) a viable security system that includes an after hours central alarm, or comparable entry detection capability; restricted access to the premises; comprehensive employment applicant screening; and safeguards against all forms of employee theft;

(4) a system of records describing all wholesale drug distributor activities set forth in section 151.44 for at least the most recent two-year period, which shall be reasonably accessible as defined by board regulations in any inspection authorized by the board;

(5) principals and persons, including officers, directors, primary shareholders, and key management executives, who must at all times demonstrate and maintain their capability of conducting business in conformity with sound financial practices as well as state and federal law;

(6) complete, updated information, to be provided to the board as a condition for obtaining and retaining a license, about each wholesale drug distributor to be licensed, including all pertinent corporate licensee information, if applicable, or other ownership, principal, key personnel, and facilities information found to be necessary by the board;

(7) written policies and procedures that assure reasonable wholesale drug distributor preparation for, protection against, and handling of any facility security or operation problems, including, but not limited to, those caused by natural disaster or government emergency, inventory inaccuracies or product shipping and receiving, outdated product or other unauthorized product control, appropriate disposition of returned goods, and product recalls;

(8) sufficient inspection procedures for all incoming and outgoing product shipments; and

(9) operations in compliance with all federal requirements applicable to wholesale drug distribution.

~~(e)~~ (i) An agent or employee of any licensed wholesale drug distributor need not seek licensure under this section.

~~(f) A wholesale drug distributor shall file with the board an annual report, in a form and on the date prescribed by the board, identifying all payments, honoraria, reimbursement or other compensation authorized under section 151.461, clauses (3) to (5), paid to practitioners in Minnesota during the preceding calendar year. The report shall identify the nature and value of any payments totaling \$100 or more, to a particular practitioner during the year, and shall identify the practitioner. Reports filed under this provision are public data.~~

Sec. 6. Minnesota Statutes 2012, section 151.47, is amended by adding a subdivision to read:

Subd. 3. **Prohibition.** It is unlawful for any person engaged in wholesale drug distribution to sell drugs to anyone located within the state or to receive drugs in reverse distribution from anyone located within the state except as provided in this chapter.

Sec. 7. Minnesota Statutes 2012, section 151.49, is amended to read:

**151.49 LICENSE RENEWAL APPLICATION PROCEDURES.**

Application blanks or notices for renewal of a license required by sections 151.42 to 151.51 shall be mailed or otherwise provided to each licensee on or before the first day of the month prior to the month in which the license expires and, if application for renewal of the license with the required fee and supporting documents is not made before the expiration date, the existing license or renewal shall lapse and become null and void upon the date of expiration.

Sec. 8. **REPEALER.**

Minnesota Statutes 2012, sections 151.19, subdivision 2; 151.25; 151.45; 151.47, subdivision 2; and 151.48, are repealed."

Delete the title and insert:

"A bill for an act relating to health; modifying provisions for businesses regulated by the Board of Pharmacy; amending Minnesota Statutes 2012, sections 151.19, subdivisions 1, 3; 151.37, subdivision 4; 151.47, subdivision 1, by adding a subdivision; 151.49; proposing coding for new law in Minnesota Statutes, chapter 151; repealing Minnesota Statutes 2012, sections 151.19, subdivision 2; 151.25; 151.45; 151.47, subdivision 2; 151.48."

With the recommendation that when so amended the bill pass.

The report was adopted.

Murphy, M., from the Committee on State Government Finance and Veterans Affairs 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 Rules and Legislative Administration.

The report was adopted.

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

H. F. No. 1175, A bill for an act relating to agriculture; establishing the Minnesota agricultural water quality program; authorizing rulemaking; requiring reports; proposing coding for new law in Minnesota Statutes, chapter 17.

Reported the same back with the following amendments:

Page 1, delete line 10 and insert "(MAWQCP) whereby a producer who demonstrates practices and management sufficient to protect water quality is certified for up to ten years and presumed to be contributing the producer's share of any targeted reduction of water pollutants during the certification period"

Page 1, delete lines 11 and 12

Page 1, line 13, delete everything before the period

Page 4, line 33, before the period, insert "on data classified as private or nonpublic under this section"

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.

Murphy, M., from the Committee on State Government Finance and Veterans Affairs to which was referred:

H. F. No. 1178, A bill for an act relating to the military; clarifying that an employee may choose when to use paid military leave; amending Minnesota Statutes 2012, section 192.26.

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

The report was adopted.

Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 4, H. F. No. 1178 was re-referred to the Committee on Rules and Legislative Administration.

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

H. F. No. 1179, A bill for an act relating to health; making changes to resident reimbursement classifications; amending Minnesota Statutes 2012, section 144.0724.

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. 1181, A bill for an act relating to human rights; ensuring public accommodations for blind and disabled persons; amending Minnesota Statutes 2012, section 363A.19.

Reported the same back with the following amendments:

Page 1, line 10, after "animal" insert ", as defined by the Americans with Disabilities Act, Code of Federal Regulations, title 111, part 35, section 36.104,"

Page 1, lines 13 and 15, before "animal" insert "service"

With the recommendation that when so amended the bill pass.

The report was adopted.



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

H. F. No. 1182, A bill for an act relating to human rights; changing provisions for certain certificates of compliance; amending Minnesota Statutes 2012, sections 363A.36, subdivision 1; 363A.37; repealing Minnesota Rules, part 5000.3560, subparts 2, 3.

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

The report was adopted.

Murphy, M., from the Committee on State Government Finance and Veterans Affairs to which was referred:

H. F. No. 1197, A bill for an act relating to the legislative auditor; providing for financial and data security audits; requiring certain notice to the legislative auditor; amending Minnesota Statutes 2012, section 3.971, subdivision 6, by adding subdivisions.

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

The report was adopted.

Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 4, H. F. No. 1197 was re-referred to the Committee on Rules and Legislative Administration.

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

H. F. No. 1204, A bill for an act relating to transportation; contracts; establishing a public-private partnership pilot program and related regulations.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **PUBLIC-PRIVATE PARTNERSHIP PILOT PROGRAM.**

(a) The commissioner of transportation and Metropolitan Council are authorized to consider and utilize public-private partnership procurement methods for up to three pilot projects as provided in this act. Utilization of public-private partnerships is a recognition of the importance to the state of an efficient and safe transportation system, and the necessity of developing alternative funding sources to supplement traditional sources of transportation revenues. A public-private partnership initiative must take advantage of private sector efficiencies in design and construction, along with expertise in finance and development, and provide a better long-term value for the state than could be obtained through traditional procurement methods.

(b) Notwithstanding Minnesota Statutes, section 160.845, the commissioner or council may only convert, transfer, or utilize a portion of a highway to impose tolls or for use as a toll facility under the pilot program if the pilot project adds capacity to the highway system. For purposes of this paragraph, added capacity includes a new or additional: highway lane; priced dynamic shoulder lane as defined in Minnesota Statutes, section 160.02, subdivision 18a; high-occupancy vehicle lane; high-occupancy toll lane; or bridge.

(c) The commissioner or council may consider for use in the pilot program any existing public-private partnership mechanism or any proposed mechanism that proves the best available option for the state. Mechanisms the commissioner or council may consider include, but are not limited to, a toll facility, a BOT facility, a BTO facility, user fees, construction payments, joint development agreements, negotiated exactions, air rights development, street improvement districts, or tax increment financing districts for transit.

(d) As part of the pilot program, the commissioner and council are directed to form an independent advisory and oversight office, the Joint Program Office for Economic Development and Alternative Finance. The office shall consist of the commissioner of management and budget, the commissioner of employment and economic development, the commissioner of administration, the commissioner of transportation, the Metropolitan Council, and one representative each from the American Council of Engineering Companies - Minnesota chapter, the Central Minnesota Transportation Alliance, the Counties Transit Improvement Board, and the Minnesota County Engineers Association. In addition, the commissioner and Metropolitan Council shall invite the Federal Highway Administration and the Federal Transit Administration to participate in the office's activities. The office's duties shall include, but are not limited to, reviewing and approving projects proposed under this section, reviewing any contractual or financial agreements to ensure program requirements are met, and ensuring that any proposed or executed agreement serves the public interest.

(e) For the purposes of sections 1 to 6, the following terms have the meanings given them:

(1) "BOT facility" and "BTO facility" have the meanings given under Minnesota Statutes, section 160.84; and

(2) "toll facility" has the meaning given under Minnesota Statutes, section 160.84, subdivision 9, except that authorization for the project is as provided under this act and not under Minnesota Statutes, sections 160.84 to 160.92.

## **Sec. 2. PILOT PROGRAM RESTRICTIONS AND PROJECT SELECTION.**

(a) The commissioner or council may receive or solicit and evaluate proposals to build, operate, and finance projects that are not inconsistent with the commissioner's most recent statewide transportation plan or the council's most recent transportation policy plan. If the department or council receives an unsolicited proposal, the department or council shall publish a notice in the State Register at least once a week for two weeks stating that the department or council has received the proposal and will accept, for 120 days after the initial date of publication, other proposals for the same project purpose. The private proposer must be selected on a competitive basis.

(b) When entering into a public-private partnership, the commissioner or Metropolitan Council may not enter into any noncompete agreement that inhibits the state's ability to address ongoing or future infrastructure needs.

(c) If the commissioner or council enters into a public-private partnership agreement that includes a temporary transfer of ownership or control of a road, bridge, or other infrastructure investment to the private entity, the agreement must include a provision requiring the return of the road, bridge, or other infrastructure investment to the state after a specified period of time.

(d) The commissioner and council may only consider new projects for a public-private partnership. The commissioner and council are prohibited from considering projects involving existing infrastructure for a public-private partnership, unless the proposed project adds capacity to the existing infrastructure.

(e) Among the projects the commissioner and council may consider are the construction of: a marked Interstate Highway 94/marked U.S. Highway 10 River Crossing near marked Trunk Highway 24; the Fish Lake interchange; the marked Interstate Highway 94 expansion from the Fish Lake interchange to marked Trunk Highway 24; the St. Croix River Crossing connecting Oak Park Heights, Minnesota, and St. Joseph, Wisconsin; and high-speed, commuter, and light rail projects.

Sec. 3. **EVALUATION AND SELECTION OF PRIVATE ENTITY AND PROJECT.**

(a) The commissioner and council shall contract with one or more consultants to assist in proposal evaluation. The consultant must possess expertise and experience in public-private partnership project evaluation methodology, such as value for money, costs of public-private partnership compared with costs of public project delivery, and cost-benefit analysis.

(b) When soliciting, evaluating, and selecting a private entity with which to enter into a public-private partnership and before selecting a project, the commissioner or council must consider:

(1) the ability of the proposed project to improve safety, reduce congestion, increase capacity, and promote economic growth;

(2) the proposed cost of and financial plan for the project;

(3) the general reputation, qualifications, industry experience, and financial capacity of the private entity;

(4) the project's proposed design, operation, and feasibility;

(5) length and extent of transportation and transit service disruption;

(6) comments from local citizens and affected jurisdictions;

(7) benefits to the public;

(8) the safety record of the private entity; and

(9) any other criteria the commissioner or council deems appropriate.

(c) The independent advisory and oversight office established under section 1, paragraph (d), shall review proposals evaluated by the commissioner or council to ensure the requirements of this section are being met. The independent advisory and oversight office shall first determine whether the project, as proposed, serves the public interest. In making this determination, the office must identify and consider advantages and disadvantages for various stakeholders, including taxpayers, workers, transportation and transit providers and operators, transportation and transit users, commercial vehicle operators, and the general public, including the impact on the state's economy. If the proposed project serves the public interest, the office must evaluate the proposals according to the criteria specified in this section.

Sec. 4. **PUBLIC-PRIVATE AGREEMENT.**

(a) A public-private agreement between the commissioner or the council and a private entity shall, at a minimum, specify:

(1) the planning, acquisition, financing, development, design, construction, reconstruction, replacement, improvement, maintenance, management, repair, leasing, or operation of the project;

(2) the term of the public-private agreement;

(3) the type of property interest, if any, that the private entity will have in the project;

(4) a description of the actions the commissioner or council may take to ensure proper maintenance of the project;

(5) whether user fees will be collected on the project and the basis by which the user fees shall be determined and modified along with identification of the public agency that will determine and modify fees;

(6) compliance with applicable federal, state, and local laws;

(7) grounds for termination of the public-private agreement by the commissioner or council;

(8) adequate safeguards for the traveling public and residents of the state in event of default on the contract;

(9) financial protection for the state in the event of default; and

(10) procedures for amendment of the agreement.

(b) A public-private agreement between the commissioner or council and a private entity may provide for:

(1) review and approval by the commissioner or council of the private entity's plans for the development and operation of the project;

(2) inspection by the commissioner or council of construction and improvements to the project;

(3) maintenance by the private entity of a liability insurance policy;

(4) filing of appropriate financial statements by the private entity on a periodic basis;

(5) filing of traffic reports by the private entity on a periodic basis;

(6) financing obligations of the commissioner or council and the private entity;

(7) apportionment of expenses between the commissioner or council and the private entity;

(8) the rights and remedies available in the event of a default or delay;

(9) the rights and duties of the private entity, the commissioner or council, and other state or local governmental entities with respect to the use of the project;

(10) the terms and conditions of indemnification of the private entity by the commissioner or council;

(11) assignment, subcontracting, or other delegations of responsibilities of (i) the private entity, or (ii) the commissioner or council under agreement to third parties, including other private entities or state agencies;

(12) if applicable, sale or lease to the private entity of private property related to the project;

(13) traffic enforcement and other policing issues; and

(14) any other terms and conditions the commissioner or council deems appropriate.

(c) The independent advisory and oversight office established under section 1, paragraph (d), shall review any proposed contractual agreement prior to execution in order to ensure that the contract serves the public interest and the requirements of this section are met.

Sec. 5. **FUNDING FROM FEDERAL GOVERNMENT.**

(a) The commissioner or council may accept from the United States or any of its agencies funds that are available to the state for carrying out the pilot program, whether the funds are available by grant, loan, or other financial assistance.

(b) The commissioner or council may enter into agreements or other arrangements with the United States or any of its agencies as necessary for carrying out the pilot program.

(c) The commissioner or council shall seek to maximize project funding from nonstate sources and may combine federal, state, local, and private funds to finance a public-private partnership pilot project.

Sec. 6. **REPORTING.**

By August 1, 2015, and annually by August 1 thereafter, the commissioner and council shall submit to the chairs and ranking minority members of the house of representatives and senate committees having jurisdiction over transportation policy and finance a list of all agreements executed under the pilot program authority. The list must identify each agreement, the contracting entities, contract amount and duration, any repayment requirements, and provide an update on the project's progress. The list may be submitted electronically and is subject to Minnesota Statutes, section 3.195, subdivision 1.

Sec. 7. **EFFECTIVE DATE.**

This act is effective the day after an appropriation is effective to pay administrative expenses creating and operating the Joint Program Office for Economic Development and Alternative Finance, hiring a consultant, and preparing required reports."

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

The report was adopted.

Hortman from the Committee on Energy Policy to which was referred:

H. F. No. 1205, A bill for an act relating to energy; regulating the assessment of need and routing of certain transmission lines.

Reported the same back with the following amendments:

Page 1, line 15, after "feasible" insert ". cost-effective."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1206, A bill for an act relating to health; modifying body art regulations; providing criminal penalties; amending Minnesota Statutes 2012, sections 146B.02, subdivisions 2, 8; 146B.03, by adding a subdivision; 146B.07, subdivision 5; repealing Minnesota Statutes 2012, section 146B.03, subdivision 10.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Public Safety Finance and Policy.

The report was adopted.

Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 4, H. F. No. 1206 was re-referred to the Committee on Rules and Legislative Administration.

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

H. F. No. 1223, A bill for an act relating to transportation; mass transit; authorizing the Washington County Regional Rail Authority to exercise existing powers for bus rapid transit purposes.

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.

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

H. F. No. 1240, 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 12, line 21, delete "when a background study" and insert "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."

Page 12, delete lines 22 and 23

Page 12, line 28, delete everything after "if"

Page 12, line 29, delete everything before the first "an" and insert "while the program continues to operate pending"

Page 12, line 30, delete "issued under this section." and insert "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."

Page 13, after line 11, insert:

"Sec. 8. Minnesota Statutes 2012, section 245A.07, subdivision 2a, is amended to read:

Subd. 2a. **Immediate suspension expedited hearing.** (a) Within five working days of receipt of the license holder's timely appeal, the commissioner shall request assignment of an administrative law judge. The request must include a proposed date, time, and place of a hearing. A hearing must be conducted by an administrative law judge within 30 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. The commissioner shall issue a notice of hearing by certified mail or personal service at least ten working days before the hearing. The scope of the hearing shall be limited solely to the issue of whether the temporary immediate suspension should remain in effect pending the commissioner's final order under section 245A.08, regarding a licensing sanction issued under subdivision 3 following the immediate suspension. The burden of proof in expedited hearings under this subdivision shall be limited to the commissioner's demonstration that reasonable cause exists to believe that the license holder's actions or failure to comply with applicable law or rule poses, or if the actions of other individuals or conditions in the program poses an imminent risk of harm to the health, safety, or rights of persons served by the program. "Reasonable cause" means there exist specific articulable facts or circumstances which provide the commissioner with a reasonable suspicion that there is an imminent risk of harm to the health, safety, or rights of persons served by the program.

(b) The administrative law judge shall issue findings of fact, conclusions, and a recommendation within ten working days from the date of hearing. The parties shall have ten calendar days to submit exceptions to the administrative law judge's report. The record shall close at the end of the ten-day period for submission of exceptions. The commissioner's final order shall be issued within ten working days from the close of the record. When an appeal of a temporary immediate suspension is withdrawn or dismissed, the commissioner shall issue a final order affirming the temporary immediate suspension within ten calendar days of the commissioner's receipt of the withdrawal or dismissal. Within 90 calendar days after a final order affirming an immediate suspension, the commissioner shall make a determination regarding whether a final licensing sanction shall be issued under subdivision 3. The license holder shall continue to be prohibited from operation of the program during this 90-day period.

(c) When the final order under paragraph (b) affirms an immediate suspension, and a final licensing sanction is issued under subdivision 3 and the license holder appeals that sanction, the license holder continues to be prohibited from operation of the program pending a final commissioner's order under section 245A.08, subdivision 5, regarding the final licensing sanction."

Page 15, line 33, before the period, insert "unless there is a criminal or juvenile court action pending against the license holder or another individual subject to a background study"

Page 47, delete section 8 and insert:

"Sec. 8. Minnesota Statutes 2012, section 245C.24, subdivision 2, is amended to read:

Subd. 2. **Permanent bar to set aside a disqualification.** (a) Except as provided in paragraph (b), the commissioner may not set aside the disqualification of any individual disqualified pursuant to this chapter, regardless of how much time has passed, if the individual was disqualified for a ~~crime or conduct listed in section 245C.15, subdivision 1.~~ conviction under section 609.185 (murder in the first degree); 609.19 (murder in the second degree); 609.195 (murder in the third degree); 609.20 (manslaughter in the first degree); 609.205 (manslaughter in the second degree); 609.322, subdivisions 1 and 1a (solicitation, inducement, and promotion of prostitution; sex trafficking); 609.324, subdivision 1 (engaging in, hiring, or agreeing to hire a minor to engage in prostitution); 609.342 (criminal sexual conduct in the first degree); 609.343 (criminal sexual conduct in the second degree); 609.344 (criminal sexual conduct in the third degree); 609.345 (criminal sexual conduct in the fourth degree); 609.3451 (criminal sexual conduct in the fifth degree); 609.3453 (criminal sexual predatory conduct); 609.352 (solicitation of children to engage in sexual conduct); 609.365 (incest); 617.246 (use of minors in sexual performance); or 617.247 (possession of pornographic work involving minors).

(b) For an individual in the chemical dependency or corrections field who was disqualified for a crime or conduct listed under section 245C.15, subdivision 1, and whose disqualification was set aside prior to July 1, 2005, the commissioner must consider granting a variance pursuant to section 245C.30 for the license holder for a program dealing primarily with adults. A request for reconsideration evaluated under this paragraph must include a letter of recommendation from the license holder that was subject to the prior set-aside decision addressing the individual's quality of care to children or vulnerable adults and the circumstances of the individual's departure from that service.

(c) When a licensed foster care provider adopts an individual who had received foster care services from the provider for over six months, and the adopted individual is required to receive a background study under section 245C.03, subdivision 1, paragraph (a), clause (2) or (6), the commissioner may grant a variance to the license holder under section 245C.30 to permit the adopted individual with a permanent disqualification to remain affiliated with the license holder under the conditions of the variance when the variance is recommended by the county of responsibility for each of the remaining individuals in placement in the home and the licensing agency for the home."

Renumber the sections in sequence and correct the internal references

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.

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

H. F. No. 1284, A bill for an act relating to commerce; prohibiting criminalization and restriction on sale of motor fuel; proposing coding for new law in Minnesota Statutes, chapter 325E.

Reported the same back with the following amendments:

Page 1, line 6, delete "criminalize or"



Amend the title as follows:

Page 1, line 2, delete "criminalization and"

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

The report was adopted.

Murphy, M., from the Committee on State Government Finance and Veterans Affairs to which was referred:

H. F. No. 1297, A bill for an act relating to state government; changing provisions of the Legislative Advisory Commission, Legislative Coordinating Commission, Legislative Commission on Pensions and Retirement, Compensation Council, and Mississippi River Parkway Commission; amending Minnesota Statutes 2012, sections 3.30, subdivision 2; 3.303, by adding a subdivision; 3.85, subdivisions 8, 9; 15A.082, subdivisions 1, 2, 3; 16A.10, subdivision 1c; 161.1419, subdivision 3; repealing Minnesota Statutes 2012, sections 3.304, subdivisions 1, 5; 3.885, subdivision 10.

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

The report was adopted.

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

H. F. No. 1300, A bill for an act relating to environment; directing the Pollution Control Agency to modify a rule on fugitive emissions.

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.

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

H. F. No. 1304, A bill for an act relating to transportation; amending regulations governing school bus use for special events; amending Minnesota Statutes 2012, sections 169.011, by adding a subdivision; 169.443, subdivision 3; 221.132; proposing coding for new law in Minnesota Statutes, chapter 169.

Reported the same back with the following amendments:

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 2012, section 168.013, subdivision 18, is amended to read:

Subd. 18. **School buses.** Notwithstanding the provisions of subdivision 1, school buses used exclusively for the transportation of students under contract with a school district, ~~or~~ used in connection with transportation for nonprofit educational institutions, or used as provided under section 169.4475, shall be taxed during each year of the vehicle life of such bus the amount of \$25."

Page 1, after line 14, insert:

"Sec. 3. Minnesota Statutes 2012, section 169.441, subdivision 3, is amended to read:

Subd. 3. **Sign on bus; application of other law.** (a) Sections 169.443, subdivision 2; and 169.444, subdivisions 1, 4, and 5, apply only if the school bus bears on its front and rear a plainly visible sign containing the words "school bus" in letters at least eight inches in height.

(b) Except as provided in section 169.443, subdivision 8, ~~the~~ a school bus sign must be removed or covered when the vehicle is being used as other than a school bus."

Page 2, line 12, delete "(a)"

Page 2, delete lines 17 to 18

Page 2, line 24, after the semicolon, insert "and"

Page 2, delete lines 25 to 33 and insert:

"(2) the pupil transportation entity meets the requirements of a motor carrier of passengers under chapter 221, including but not limited to use of a temporary vehicle identification card under section 221.132 for the school bus."

Page 3, delete section 4

Renumber the sections in sequence and correct the internal references

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

Murphy, M., from the Committee on State Government Finance and Veterans Affairs to which was referred:

H. F. No. 1355, A bill for an act relating to capital investment; appropriating money for a new veterans nursing home in Bemidji; 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.

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

H. F. No. 1377, A bill for an act relating to real estate; requiring loss mitigation by mortgage lenders and servicers; amending Minnesota Statutes 2012, sections 580.02; 580.041, subdivisions 1b, 2a.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2012, section 580.02, is amended to read:

**580.02 REQUISITES FOR FORECLOSURE.**

To entitle any party to make such foreclosure, it is requisite:

- (1) that some default in a condition of such mortgage has occurred, by which the power to sell has become operative;
- (2) that no action or proceeding has been instituted at law to recover the debt then remaining secured by such mortgage, or any part thereof, or, if the action or proceeding has been instituted, that the same has been discontinued, or that an execution upon the judgment rendered therein has been returned unsatisfied, in whole or in part;
- (3) that the mortgage has been recorded and, if it has been assigned, that all assignments thereof have been recorded; provided, that, if the mortgage is upon registered land, it shall be sufficient if the mortgage and all assignments thereof have been duly registered; ~~and~~
- (4) before the notice of pendency as required under section 580.032 is recorded, the party has complied with section 580.021; and
- (5) before the notice of pendency required under section 580.032 is recorded, the party has complied with section 582.043, if applicable.

Sec. 2. Minnesota Statutes 2012, section 580.041, subdivision 1b, is amended to read:

Subd. 1b. **Form and delivery of foreclosure advice notice.** The foreclosure advice notice required by this section must be in 14-point boldface type and must be printed on colored paper that is other than the color of the notice of foreclosure required by sections 580.03 and 580.04 and the notice of redemption rights required by this section, and that does not obscure or overshadow the content of the notice. The title of the notice must be in 20-point boldface type. The notice must be on its own page. The foreclosure advice notice required by this section must be delivered with the notice of foreclosure required by sections 580.03 and 580.04. The foreclosure advice notice required by this section also must be delivered with each subsequent written communication regarding the foreclosure mailed to the mortgagor by the foreclosing party up to the day of ~~redemption~~. ~~A foreclosing mortgagee will be deemed to have complied with this section if it sends the foreclosure advice notice required by this section at least once every 60 days during the period of the foreclosure process~~ sale. The foreclosure advice notice required by this section must not be published.

Sec. 3. Minnesota Statutes 2012, section 580.041, subdivision 2a, is amended to read:

Subd. 2a. **Content of notice of redemption rights.** The notice of redemption rights required by this section must appear substantially as follows:

**"What Happens After the Foreclosure Sale**

After the sheriff's sale, you have the right to "redeem." Redeem means that you pay the amount bid for your house at the sheriff's sale, plus interest and costs, to keep your house. You can keep living in your home for a period of time after the foreclosure sale. This is called a "redemption period." The redemption period is [insert number of months] months after the sheriff's sale.

At the end of the redemption period, if you do not redeem or sell, you will have to leave your home. If you do not leave, the person or company that bid on your home at the sheriff's sale has the right to file an eviction against you in court.

### **Be Careful of Foreclosure Scams**

Be careful! After the foreclosure sale, people may approach you to buy your house or ask you to transfer your house to them for little or no money.

Before you give up the rights to your house or sign any documents (including a deed), be sure you know how much the house sold for at the sheriff's sale and decide if you can save the house by paying the amount of the bid, plus interest and costs.

### **How to Find Out How Much Your House Sold For at the Foreclosure Sale**

The amount you need to pay to redeem your house may be less than the amount you owed on the mortgage before the sale. You can learn what this amount is (and who the winning bidder at the sale was) by attending the sheriff's sale or by contacting the sheriff's office after the sale.

### **You Can Also Sell Your House**

During the redemption period, if you sell your home, you must sell it for enough to pay off the winning bidder from the sheriff's sale and pay interest, fees, and other claims against the property. If there is any money left from the sale of the house after all these debts are paid, you can keep the money. You can also enter into a "short sale." A short sale is an agreement in which the lender agrees to accept less than the full amount you owe on the mortgage.

### **Get More Information and Advice**

For more information and advice, contact an attorney or a mortgage foreclosure prevention counselor. You can find a mortgage foreclosure prevention counselor by contacting the Minnesota Home Ownership Center at 651-659-9336 or 866-462-6466 or [www.hocmn.org](http://www.hocmn.org) or contact the United States Department of Housing and Urban Development at 1-800-569-4287 or [www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?webListAction=search=MN#searchArea](http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?webListAction=search=MN#searchArea) <http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?&webListAction=search&searchstate=MN> to get the phone number and location of the nearest certified counseling organization."

## **Sec. 4. [580.043] MORTGAGE FORECLOSURE DUAL TRACKING PROHIBITED.**

**Subdivision 1. Definitions.** (a) For purposes of this section, the terms defined in this subdivision have the meanings given them.

(b) "Borrower" means the person who is liable on the promissory note secured by the mortgage, except that borrower does not include:

(1) a person who has surrendered the mortgaged property, as evidenced by either a letter or other written notice confirming the surrender or by delivery of the keys to the property to the servicer or authorized agent; or

(2) a person who has filed a bankruptcy case under United States Code, title 11, chapter 7, 11, 12, or 13, if the bankruptcy court has not entered an order closing or dismissing the bankruptcy case or granting relief from a stay of foreclosure.

(c) "Complete loan modification request" means an application in connection with which a servicer has received all the information that the servicer requires from a borrower in evaluating applications for the loan modification options available to the borrower. A servicer shall exercise reasonable diligence in obtaining documents and information to complete a loan modification request.

(d) "Dual tracking" means a servicer beginning or continuing a mortgage foreclosure under this chapter after the servicer has received a request by the borrower for a loan modification and has not accepted or rejected that request.

(e) "Loan modification request" means a written request from a borrower to the borrower's servicer for a modification of the borrower's mortgage loan in order to prevent an anticipated foreclosure or to suspend or terminate a foreclosure that is pending.

(f) "Servicer" means an entity that is responsible for interacting with the borrower, including managing the loan account on a daily basis, such as collecting and crediting periodic loan payments, managing an escrow account, or enforcing the promissory note and mortgage, either as the current owner of the promissory note or as the current owner's authorized agent.

(g) "Small servicer" means a small servicer, as that term is defined in Code of Federal Regulations, title 12, section 1026.41, paragraph (e).

Subd. 2. **Applicability.** This section applies only to first lien mortgages subject to foreclosure under chapters 580 and 581 that are secured by owner-occupied residential real property containing no more than four dwelling units and the subject mortgage does not secure a loan for business, commercial, or agricultural purposes. For purposes of this subdivision, "owner-occupied" means that the property is the principal residence of the owner.

Nothing in this section shall be construed to supersede or change a servicer's loss mitigation obligations, as that term is defined in section 582.043. In the event of a conflict between this section and section 582.043, the requirements of section 582.043 shall prevail.

Subd. 3. **Prohibition; dual tracking; continuation or commencement of foreclosure after receipt of loan modification request.** (a) A servicer shall not record or file the notice of pendency required under section 580.032 or a lis pendens under chapter 581 unless the subject mortgage loan is more than 120 days delinquent.

(b) If a borrower submits a complete loan modification request before the mortgage loan is more than 120 days delinquent or before the notice of pendency or lis pendens has been filed or recorded, a servicer must not file the notice of pendency or lis pendens unless:

(1) the servicer has sent the borrower a notice that the borrower is not eligible for any loan modification option;

(2) the borrower does not accept the loan modification offer within 14 days after the date of the offer;

(3) the borrower rejects the loan modification option offered by the servicer; or

(4) the borrower fails to perform under a loan modification agreement.

Subd. 4. **Prohibition on foreclosure sale.** If a borrower submits a complete loan modification request after a servicer has recorded or filed the notice of pendency required under section 580.032 or a lis pendens under chapter 581, but more than 37 days before a foreclosure sale, a servicer must not move for foreclosure judgment or order of sale, or conduct a foreclosure sale, unless:

(1) the servicer has sent the borrower a notice that the borrower is not eligible for any loan modification option;

(2) the borrower does not accept the loan modification offer within 14 days after the date of the offer;

(3) the borrower rejects the loan modification option offered by the servicer; or

(4) the borrower fails to perform under a loan modification agreement.

Subd. 5. **Appeal process.** If a servicer receives a complete loan modification request 90 days or more before a foreclosure sale, a servicer shall permit a borrower to appeal the servicer's determination to deny a borrower's loan modification request for any trial or permanent loan modification program available to the borrower. A servicer shall permit a borrower to make an appeal within 14 days after the servicer provides the determination regarding a loan modification option to the borrower.

Subd. 6. **Independent evaluation; determination.** (a) An appeal must be reviewed by different personnel than those responsible for evaluating the borrower's complete loan modification application.

(b) Within 30 days of a borrower making an appeal, the servicer shall provide a notice to the borrower stating the servicer's determination of whether the servicer will offer the borrower a loan modification option based upon the appeal. A servicer may require that a borrower accept or reject an offer of a loan modification option after an appeal no earlier than 14 days after the servicer provides the notice to a borrower. A servicer's determination under this paragraph is not subject to any further appeal.

Subd. 7. **Duplicative requests.** A servicer is only required to comply with the requirements of this section for a single complete loan modification request for a borrower's mortgage loan account.

Subd. 8. **Small servicer requirements.** A small servicer is not subject to this section, except that a small servicer must not file the notice of pendency or lis pendens unless a borrower's mortgage loan obligation is more than 120 days delinquent. A small servicer must not file the notice of pendency or lis pendens and must not conduct a foreclosure sale if a borrower is performing pursuant to the terms of an agreement on a loan modification option.

Subd. 9. **Affidavit.** Any person may establish compliance with or inapplicability of this section by recording, with the county recorder or registrar of titles, an affidavit by a person having knowledge of the facts, stating that any notices required by this section have been delivered in compliance with this section. The affidavit and a certified copy of a recorded affidavit is prima facie evidence of the facts stated in the affidavit. The affidavit may be recorded regarding any foreclosure sale and may be recorded separately or as part of the record of a foreclosure.

Sec. 5. Minnesota Statutes 2012, section 580.15, is amended to read:

#### **580.15 PERPETUATING EVIDENCE OF SALE.**

Any party desiring to perpetuate the evidence of any sale made in pursuance of this chapter may procure:

(1) an affidavit of the publication of the notice of sale and of any notice of postponement to be made by the printer of the newspaper in which the same was inserted or by some person in the printer's employ knowing the facts;

(2) an affidavit or return of service of such notice upon the occupant of the mortgaged premises to be made by the officer or person making such service or, in case the premises were vacant or unoccupied at the time the service must be made, an affidavit or return showing that fact, to be made by the officer or person attempting to make such service;

(3) an affidavit by the person foreclosing the mortgage, or that person's attorney, or someone knowing the facts, setting forth the facts relating to the military service status of the owner of the mortgaged premises at the time of sale;

(4) an affidavit by the person foreclosing the mortgage, or that person's attorney, or someone having knowledge of the facts, setting forth the fact of service of notice of sale upon the secretary of the Treasury of the United States or the secretary's delegate in accordance with the provisions of Section 7425 of the Internal Revenue Code of 1954 as amended by Section 109 of the Federal Tax Lien Act of 1966, and also setting forth the fact of service of notice of sale upon the commissioner of revenue of the state of Minnesota in accordance with the provisions of section 270C.63, subdivision 11. Any such affidavit recorded prior to May 16, 1967 shall be effective as prima facie evidence of the facts therein contained as though recorded subsequent to May 16, 1967;

(5) an affidavit by the person foreclosing the mortgage, or that person's attorney, or someone having knowledge of the facts, setting forth the names of the persons to whom a notice of sale was mailed as provided by section 580.032; and

(6) one or more affidavits by the person foreclosing the mortgage, or that person's attorney or a person having knowledge of the facts, stating:

(i) whether section 580.021, 580.04, 580.041, 580.042, 582.039, 582.041, or 582.042 applies to the foreclosure proceedings; and

(ii) if any or all of those sections apply, that all notices required under those sections have been provided; and

(7) one or more affidavits by the person foreclosing the mortgage, the person's attorney, or a person having knowledge of the facts, stating:

(i) whether section 582.043 applies to the foreclosure proceedings; and

(ii) if section 582.043 applies, that all requirements of that section have been fully satisfied.

Such affidavits and returns shall be recorded by the county recorder and they and the records thereof, and certified copies of such records, shall be prima facie evidence of the facts therein contained.

The affidavit provided for in clause (3) hereof may be made and recorded for the purpose of complying with the provisions of the Servicemembers Civil Relief Act, and may be made and recorded at any time subsequent to the date of the mortgage foreclosure sale.

Sec. 6. **[582.043] REQUISITE APPLICABLE TO CERTAIN FORECLOSURES.**

Subdivision 1. **Applicability.** This section applies to foreclosures under chapters 580 and 581 of first lien mortgages that are secured by owner-occupied residential real property containing no more than four dwelling units and the subject mortgage does not secure a loan for business, commercial, or agricultural purposes. For purposes of this section, "owner-occupied" means that the property is the principal residence of the owner.

This section does not apply to a small servicer, as that term is defined in Code of Federal Regulations, title 12, section 1026.41, paragraph (e).

Subd. 2. **Requisite.** (a) No party foreclosing a mortgage may record or file the notice of pendency required under section 580.032 or serve or file a summons and complaint under chapter 581 until all loss mitigation obligations relevant to the mortgage loan being foreclosed have been fully satisfied.

(b) For the purposes of this section, "loss mitigation obligations" means actions required to be taken by a residential mortgage servicer, lender, mortgagee, note owner, note holder, or any other person in connection with a residential mortgage loan to review and consider the homeowner for a loan modification or other relief intended to allow the homeowner to retain ownership of the property under:

(1) state or federal law;

(2) rules or regulations promulgated by the Consumer Financial Protection Bureau;

(3) rules or regulations applicable to loans owned or guaranteed by the United States government, including rules and regulations issued by:

(i) the Department of Housing and Urban Development and the Federal Housing Administration for FHA loans and Indian home loan guarantee loans;

(ii) the Department of Veterans Affairs for VA loans; and

(iii) the Department of Agriculture for Rural Housing Service loans;

(4) the Home Affordable Modification Program for loans owned or guaranteed by the United States government;

(5) any applicable consent, settlement, or other legal agreement, including:

(i) consent judgments entered in the case entitled United States of America et al. v. Bank of America Corporation et al., filed April 4, 2012, in the United States District Court for the District of Columbia, in a civil action number 120361; and

(ii) stipulations and Consent to the Issuance of an Amendment to 2011 Consent Order modifying Office of Thrift Supervision Orders No. NE-11-16 and, by reference NE-11-17; and Office of Comptroller of the Currency Consent Orders AA-EC-11-12; AA-EE-11-13; AA-EC-11-14; AA-EC-11-15; AA-EC-11-16; AA-EC-11-17; AA-EC-11-18; and 4.2 AA-EC-11-19; or

(6) the Making Home Affordable Program applicable to loans owned or guaranteed by Fannie Mae or Freddie Mac or loans serviced by an entity that is participating in the Making Home Affordable Program.

Subd. 3. **Effective date; expiration.** This section applies to foreclosures commenced on or after August 1, 2013, and before January 1, 2018. This section expires January 1, 2018.

**Sec. 7. EFFECTIVE DATE.**

Sections 1, 5, and 6 are effective for foreclosures commenced on or after August 1, 2013, and before January 1, 2018, and expire on January 1, 2018.

Section 2 is effective for foreclosures commenced on or after August 1, 2013.

Section 3 is effective the day following final enactment.

Section 4 is effective January 10, 2014."

Delete the title and insert:

"A bill for an act relating to real estate; requiring loss mitigation by mortgage lenders and servicers; prohibiting mortgage foreclosure dual tracking; amending Minnesota Statutes 2012, sections 580.02; 580.041, subdivisions 1b, 2a; 580.15; proposing coding for new law in Minnesota Statutes, chapters 580; 582."

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

The report was adopted.



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

H. F. No. 1378, A bill for an act relating to workers' compensation; modifying Workers' Compensation Court of Appeals personnel provisions; amending Minnesota Statutes 2012, section 175A.07, subdivision 2.

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

The report was adopted.

Mariani from the Committee on Education Policy to which was referred:

H. F. No. 1383, A bill for an act relating to education; establishing a special education case loads task force; modifying rules governing individualized education program development; modifying rules governing special education services purchasing; requiring a report; repealing Minnesota Rules, parts 3525.0800, subpart 2; 3525.2810, subparts 1, 4.

Reported the same back with the following amendments:

Page 1, line 11, after "districts" insert ", including special education teachers,"

Page 1, line 14, delete "maximum number" and insert "appropriate numbers"

Page 1, line 15, after "classroom" insert "and for cost-effective and efficient strategies and structures for improving student outcomes"

Page 1, delete section 2

Page 2, delete section 3

Amend the title as follows:

Page 1, delete line 3

Page 1, line 4, delete everything before "requiring"

Page 1, line 5, delete everything after "report" and insert a period

Page 1, delete line 6

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. 1413, A bill for an act relating to technology accessibility; creating an advisory committee; appropriating money; amending Minnesota Statutes 2012, section 16E.0475.

Reported the same back with the following amendments:

Page 1, delete section 1

Page 3, delete "Sec. 2." and insert "Section 1."

Amend the title as follows:

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

Page 1, line 3, before the semicolon, insert "for telecommunications access"

Correct the title numbers accordingly

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. 1442, A bill for an act relating to natural resources; establishing aquatic invasive species decal requirements and fees; establishing civil penalties; eliminating aquatic invasive species trailer decal requirements; amending Minnesota Statutes 2012, section 84D.15, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 86B; repealing Minnesota Statutes 2012, section 86B.13.

Reported the same back with the following amendments:

Page 2, line 13, delete "and penalties"

Page 2, delete subdivision 2

Renumber the subdivisions in sequence

Amend the title as follows:

Page 1, line 3, delete "establishing civil penalties;"

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.

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

H. F. No. 1444, A bill for an act relating to transportation; defining project for metropolitan area regional railroad authorities' contributions toward capital costs of light rail transit or commuter rail project; amending Minnesota Statutes 2012, section 398A.10, 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.

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

H. F. No. 1451, A bill for an act relating to transportation; bridges; providing for disposition of remnant steel of I-35W bridge; proposing coding for new law in Minnesota Statutes, chapter 3.

Reported the same back with the following amendments:

Page 1, line 20, delete "..." and insert "six"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1470, A bill for an act relating to family law; child support; allowing a public authority to discontinue child support services in certain situations; amending Minnesota Statutes 2012, section 518A.60.

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. 1510, A bill for an act relating to Hennepin County; updating and making technical corrections to county contract provisions; amending Minnesota Statutes 2012, sections 383B.158, subdivisions 1, 5; 383B.1581, subdivisions 2, 3; 383B.1582; 383B.1584; repealing Minnesota Statutes 2012, section 383B.1585.

Reported the same back with the following amendments:

Page 1, line 22, after the second "contract" insert ", which may be in phases,"

Page 2, after line 23, insert:

"Sec. 2. Minnesota Statutes 2012, section 383B.158, subdivision 2, is amended to read:

Subd. 2. **Authority.** Notwithstanding section 471.345 or any other law to the contrary, the county board may solicit and award a design-build contract for a project on the basis of a best value selection process as provided in this section. In exercising the authority granted in this section and sections 383B.1581 to 383B.1584, the county may also utilize the design-build procedures available to the Department of Transportation."

Page 4, line 1, reinstate the stricken language

Renumber the sections in sequence and correct the internal references

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

## **SECOND READING OF HOUSE BILLS**

H. F. Nos. 19, 152, 300, 653, 695, 748, 790, 828, 853, 972, 1117, 1136, 1179, 1181, 1182, 1205, 1304, 1378, 1451, 1470 and 1510 were read for the second time.

## **SECOND READING OF SENATE BILLS**

S. F. No. 359 was read for the second time.

## **INTRODUCTION AND FIRST READING OF HOUSE BILLS**

The following House Files were introduced:

Loeffler and Kahn introduced:

H. F. No. 1627, A bill for an act relating to constitutional parks and trails legacy funding; providing for use and application of parks and trails funding for Scherer Brothers Lumber Yard acquisition; amending Laws 2010, chapter 361, article 3, section 7.

The bill was read for the first time and referred to the Committee on Legacy.

Anzels introduced:

H. F. No. 1628, A bill for an act relating to taxation; property; increasing property tax class rates on utility property; amending Minnesota Statutes 2012, section 273.13, subdivision 24.

The bill was read for the first time and referred to the Committee on Taxes.

Faust introduced:

H. F. No. 1629, A bill for an act relating to natural resources; clarifying responsibilities for state tree nurseries; requiring a report; amending Minnesota Statutes 2012, sections 89.36, subdivision 1; 89.37, subdivision 3; repealing Laws 2011, First Special Session chapter 2, article 4, section 30.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Policy.

Faust and Hamilton introduced:

H. F. No. 1630, A bill for an act relating to agriculture finance; allocating appropriations for the agricultural growth, research, and innovation program for fiscal years 2014 and 2015; amending Minnesota Statutes 2012, section 41A.12, subdivision 3.

The bill was read for the first time and referred to the Committee on Environment, Natural Resources and Agriculture Finance.

Mariani introduced:

H. F. No. 1631, A bill for an act relating to state government; designating March 31 as Cesar Chavez Legislative Day; proposing coding for new law in Minnesota Statutes, chapter 3.

The bill was read for the first time and referred to the Committee on Government Operations.

Sawatzky introduced:

H. F. No. 1632, A bill for an act relating to human services; requiring continued operation of the Minnesota Specialty Health Systems facility in Willmar.

The bill was read for the first time and referred to the Committee on Health and Human Services Finance.

Pelowski introduced:

H. F. No. 1633, A bill for an act relating to capital investment; appropriating money for Winona State University to create an education village; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Higher Education Finance and Policy.

Falk introduced:

H. F. No. 1634, A bill for an act relating to education finance; modifying sparsity revenue for a school district that has ended an academic pairing agreement; amending Minnesota Statutes 2012 Supplement, section 126C.10, subdivision 8a.

The bill was read for the first time and referred to the Committee on Education Finance.

Allen introduced:

H. F. No. 1635, A bill for an act relating to property taxation; limiting taxable valuation for class 4d property; amending Minnesota Statutes 2012, section 273.11, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Taxes.

Peppin introduced:

H. F. No. 1636, A bill for an act relating to transportation; highways; establishing requirements concerning extension of marked Trunk Highway 610.

The bill was read for the first time and referred to the Committee on Transportation Policy.

Erickson, R., introduced:

H. F. No. 1637, A bill for an act relating to natural resources; modifying wetland replacement requirements; appropriating money; amending Minnesota Statutes 2012, sections 103G.222, subdivision 1; 103G.2242, subdivisions 1, 3.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Policy.

Lien, Marquart, Kiel and McNamar introduced:

H. F. No. 1638, A bill for an act relating to taxation; property; providing for an annual adjustment in the rate of the disparity reduction credit; amending Minnesota Statutes 2012, section 273.1398, subdivision 4.

The bill was read for the first time and referred to the Committee on Taxes.

Scott introduced:

H. F. No. 1639, A bill for an act relating to taxation; property; modifying class rates for residential nonhomestead property; eliminating class 4bb from classification of property; amending Minnesota Statutes 2012, sections 123A.455, subdivision 1; 273.11, subdivision 22; 273.13, subdivision 25.

The bill was read for the first time and referred to the Committee on Taxes.

Scott, Beard and Newton introduced:

H. F. No. 1640, A bill for an act relating to energy; eliminating the size limitation on hydropower sources that may satisfy the renewable energy standard; amending Minnesota Statutes 2012, section 216B.1691, subdivision 1.

The bill was read for the first time and referred to the Committee on Energy Policy.

Sawatzky introduced:

H. F. No. 1641, A bill for an act relating to parks; appropriating money for Sibley State Park.

The bill was read for the first time and referred to the Committee on Environment, Natural Resources and Agriculture Finance.

Simon introduced:

H. F. No. 1642, A bill for an act relating to public safety; requiring that forensic laboratories be accredited and that information related to this be posted on the Internet; proposing coding for new law in Minnesota Statutes, chapter 299C.

The bill was read for the first time and referred to the Committee on Civil Law.

Bernardy, Davnie, Sawatzky, Simon, Abeler and Uglem introduced:

H. F. No. 1643, A bill for an act relating to education finance; creating a funding formula for school district teacher evaluation activities; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 122A.

The bill was read for the first time and referred to the Committee on Education Finance.

Bernardy and Laine introduced:

H. F. No. 1644, A bill for an act relating to transportation; capital investment; appropriating money for a managed lane on a segment of marked Interstate Highway 35W; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Transportation Finance.

Bernardy, Marquart, Abeler, Mariani, Davnie, Laine and Winkler introduced:

H. F. No. 1645, A bill for an act relating to education finance; providing full funding for the college concurrent enrollment program; appropriating money; amending Minnesota Statutes 2012, sections 124D.091; 126C.20.

The bill was read for the first time and referred to the Committee on Education Finance.

Melin, Anzenc, Dill, Metsa and Radinovich introduced:

H. F. No. 1646, A bill for an act relating to taxation; taconite production taxation; modifying the distribution of the proceeds of the tax; imposing a supplemental tax rate to finance a reserve fund; modifying the computation of the homestead credit; authorizing the issuance of bonds; appropriating money; amending Minnesota Statutes 2012, sections 273.135, subdivision 2; 298.225, subdivision 2; 298.24, by adding a subdivision; 298.28, subdivision 4, by adding a subdivision; 298.293; repealing Minnesota Statutes 2012, sections 298.227; 298.28, subdivision 9a.

The bill was read for the first time and referred to the Committee on Taxes.

Loeffler and Davnie introduced:

H. F. No. 1647, A bill for an act relating to taxation; property; modifying the property tax refund for renters; extending income eligibility; amending Minnesota Statutes 2012, section 290A.04, subdivisions 2a, 4.

The bill was read for the first time and referred to the Committee on Taxes.

Bernardy; Persell; Ward, J.E.; Howe; Sawatzky and Murphy, M., introduced:

H. F. No. 1648, A bill for an act relating to veterans' civil rights; requiring the legislative auditor to audit the hiring of veterans in public employment; appropriating money.

The bill was read for the first time and referred to the Committee on State Government Finance and Veterans Affairs.

Clark introduced:

H. F. No. 1649, A bill for an act relating to public contracts; authorizing the state, Minnesota State Colleges and Universities, the University of Minnesota, and cities to adopt a program requiring certain hiring practices in construction and services contracts; amending Minnesota Statutes 2012, section 136F.581, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 16C; 137; 471.

The bill was read for the first time and referred to the Committee on Labor, Workplace and Regulated Industries.

### **MOTIONS AND RESOLUTIONS**

Allen moved that the names of Zerwas and Nornes be added as authors on H. F. No. 485. The motion prevailed.

Poppe moved that the name of Hansen be added as an author on H. F. No. 595. The motion prevailed.

Liebling moved that the name of Hornstein be added as an author on H. F. No. 689. The motion prevailed.

Lohmer moved that her name be stricken as an author on H. F. No. 765. The motion prevailed.

Hamilton moved that the name of Johnson, C., be added as an author on H. F. No. 770. The motion prevailed.

Rosenthal moved that the name of Johnson, B., be added as an author on H. F. No. 858. The motion prevailed.

Hansen moved that the name of Uglem be added as an author on H. F. No. 868. The motion prevailed.

Hansen moved that the name of McNamara be added as an author on H. F. No. 906. The motion prevailed.

Liebling moved that the names of Mariani and Johnson, S., be added as authors on H. F. No. 946. The motion prevailed.

Loeffler moved that the name of Hornstein be added as an author on H. F. No. 1039. The motion prevailed.

Metsa moved that the name of FitzSimmons be added as an author on H. F. No. 1065. The motion prevailed.

Bly moved that the name of Fabian be added as an author on H. F. No. 1072. The motion prevailed.

Franson moved that the name of Lohmer be added as an author on H. F. No. 1076. The motion prevailed.

Poppe moved that the name of Gruenhagen be added as an author on H. F. No. 1092. The motion prevailed.

Isaacson moved that the name of Johnson, S., be added as an author on H. F. No. 1206. The motion prevailed.

Scott moved that her name be stricken as an author on H. F. No. 1324. The motion prevailed.

Fritz moved that the name of Loeffler be added as an author on H. F. No. 1412. The motion prevailed.

Abeler moved that the name of Winkler be added as an author on H. F. No. 1604. The motion prevailed.

Lien moved that the names of Fabian and Loeffler be added as authors on H. F. No. 1608. The motion prevailed.



Benson, M., moved that the name of Lohmer be added as an author on H. F. No. 1612. The motion prevailed.

Scott moved that H. F. No. 1470, now on the General Register, be re-referred to the Committee on Health and Human Services Policy.

A roll call was requested and properly seconded.

The question was taken on the Scott motion and the roll was called. There were 59 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Abeler	Davids	Gruenhagen	Kiel	Nornes	Scott
Albright	Dean, M.	Gunther	Kresha	O'Driscoll	Swedzinski
Anderson, M.	Dettmer	Hamilton	Leidiger	O'Neill	Theis
Anderson, P.	Drazkowski	Hertaus	Lohmer	Peppin	Torkelson
Anderson, S.	Erickson, S.	Holberg	Loon	Petersburg	Uglem
Barrett	Fabian	Hoppe	Mahoney	Pugh	Urdahl
Beard	FitzSimmons	Howe	McDonald	Quam	Wills
Benson, M.	Franson	Johnson, B.	McNamara	Runbeck	Woodard
Cornish	Garofalo	Kelly	Myhra	Sanders	Zerwas
Daudt	Green	Kieffer	Newberger	Schomacker	

Those who voted in the negative were:

Allen	Erickson, R.	Huntley	Mariani	Newton	Simonson
Anzelc	Falk	Isaacson	Marquart	Norton	Sundin
Atkins	Faust	Johnson, C.	Masin	Paymar	Wagenius
Bernardy	Fischer	Johnson, S.	McNamar	Pelowski	Ward, J.A.
Bly	Freiberg	Kahn	Melin	Persell	Ward, J.E.
Brynaert	Fritz	Laine	Metsa	Poppe	Winkler
Carlson	Halverson	Lenczewski	Moran	Radinovich	Yarusso
Clark	Hansen	Lesch	Morgan	Rosenthal	Spk. Thissen
Davnie	Hausman	Liebling	Mullery	Sawatzky	
Dehn, R.	Hilstrom	Lien	Murphy, E.	Schoen	
Dorholt	Hornstein	Lillie	Murphy, M.	Selcer	
Erhardt	Hortman	Loeffler	Nelson	Simon	

The motion did not prevail.

Abeler moved that H. F. No. 1238 be returned to its author. The motion prevailed.

Abeler moved that H. F. No. 1447 be returned to its author. The motion prevailed.

Myhra moved that H. F. No. 1606 be returned to its author. The motion prevailed.

Simon moved that H. F. No. 894 be recalled from the Committee on Taxes and be re-referred to the Committee on State Government Finance and Veterans Affairs. The motion prevailed.

Scott moved that H. F. No. 950 be recalled from the Committee on Health and Human Services Finance and be re-referred to the Committee on Civil Law.

A roll call was requested and properly seconded.

The question was taken on the Scott motion and the roll was called.

Murphy, E., moved that those not voting be excused from voting. The motion prevailed.

There were 61 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean, M.	Hamilton	Lohmer	Peppin	Torkelson
Albright	Dettmer	Hertaus	Loon	Petersburg	Uglen
Anderson, M.	Drazkowski	Holberg	McDonald	Pugh	Urdahl
Anderson, P.	Erickson, S.	Hoppe	McNamar	Quam	Wills
Anderson, S.	Fabian	Howe	McNamara	Rosenthal	Woodard
Barrett	FitzSimmons	Johnson, B.	Myhra	Runbeck	Zerwas
Beard	Franson	Kelly	Newberger	Sanders	
Benson, M.	Garofalo	Kieffer	Nornes	Schomacker	
Cornish	Green	Kiel	Norton	Scott	
Daudt	Gruenhagen	Kresha	O'Driscoll	Swedzinski	
Davids	Gunther	Leidiger	O'Neill	Theis	

Those who voted in the negative were:

Allen	Dorholt	Hilstrom	Liebling	Mullery	Schoen
Anzelc	Erhardt	Hornstein	Lien	Murphy, E.	Selcer
Atkins	Erickson, R.	Hortman	Lillie	Murphy, M.	Simon
Benson, J.	Falk	Huntley	Loeffler	Nelson	Simonson
Bernardy	Faust	Isaacson	Mariani	Newton	Sundin
Bly	Fischer	Johnson, C.	Marquart	Paymar	Wagenius
Brynaert	Freiberg	Johnson, S.	Masin	Pelowski	Ward, J.A.
Carlson	Fritz	Kahn	Melin	Persell	Ward, J.E.
Clark	Halverson	Laine	Metsa	Poppe	Winkler
Davnie	Hansen	Lenczewski	Moran	Radinovich	Yarusso
Dehn, R.	Hausman	Lesch	Morgan	Sawatzky	Spk. Thissen

The motion did not prevail.

#### PROTEST AND DISSENT

Pursuant to Article IV, Section 11, of the Minnesota Constitution, we the undersigned members of the Minnesota House of Representatives register our protest and dissent regarding the following actions:

On Tuesday, March 19, 2013, Vice-chairman Mike Freiberg of the Government Operations Committee passed House File No. 950 without adequate public testimony and debate of the legislation. This bill will potentially force the unionization of more than 10,000 independent business owners in Minnesota. This is a radical change that has led to more questions than answers in the childcare and personal care attendant community. Adequate committee time was not provided for public testimony and for members of the House of Representatives to ask questions and receive sufficient answers from testifiers and the author of the bill.

Vice-chair Freiberg cut off testimony for public citizens who were providing testimony in opposition to the bill, while he did not commit the same egregious act to those testifying in favor of the bill. Additionally, the Vice-chairman called for a vote on a complicated author's amendment before all members of the committee had physical possession of, and the opportunity to review, the amendment. Furthermore, Representative Freiberg would not permit members to fully execute their line of questioning, would not recognize members who wished to be recognized, and did not permit the members of the committee any debate on the merits of the bill.

What is particularly disturbing about this event is the fact that the committee immediately went into recess following the partisan vote on this bill in order to complete its agenda later in the evening. The committee simply could have finished their business on this bill after the recess, allowing for a complete discussion and ample input from the public.

If work on major policy changes is to occur in committee as implied by the permanent rules of the Minnesota House of Representatives, then we believe the committee chair shall provide abundant opportunities for a full and complete debate of any measure at hand. This includes no limits on providing the public with the time to testify and for members to debate any piece of legislation before the committee.

Signed:

JOYCE PEPPIN  
STEVE DRAZKOWSKI  
TIM O'DRISCOLL

TIM SANDERS  
CINDY PUGH  
TAMA THEIS

#### ADJOURNMENT

Murphy, E., moved that when the House adjourns today it adjourn until 3:00 p.m., Thursday, March 21, 2013. The motion prevailed.

Murphy, E., moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 3:00 p.m., Thursday, March 21, 2013.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives

