

STATE OF MINNESOTA

EIGHTY-EIGHTH SESSION — 2014

SEVENTY-NINTH DAY

SAINT PAUL, MINNESOTA, MONDAY, MARCH 31, 2014

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

Prayer was offered by the Reverend Carol Tomer, Pilgrim Lutheran Church, St. Paul, Minnesota.

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

The roll was called and the following members were present:

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

A quorum was present.

Leidiger, Lohmer and Persell were excused.

Hamilton and Hoppe were excused until 3:25 p.m. Hilstrom was excused until 3:50 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. 2004 and H. F. No. 2655, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Huntley moved that the rules be so far suspended that S. F. No. 2004 be substituted for H. F. No. 2655 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES AND DIVISIONS

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

H. F. No. 435, A bill for an act relating to health; improving access to health care delivered by advanced practice registered nurses; providing penalties; amending Minnesota Statutes 2012, sections 148.171, subdivisions 3, 5, 9, 10, 11, 13, 16, 21, by adding subdivisions; 148.181, subdivision 1; 148.191, subdivision 2; 148.211, subdivision 2, by adding subdivisions; 148.231, subdivisions 1, 4, 5; 148.233, subdivision 2; 148.234; 148.235, by adding subdivisions; 148.251, subdivision 1; 148.261, subdivision 1; 148.262, subdivisions 1, 2, 4; 148.271; 148.281, subdivision 1, by adding a subdivision; repealing Minnesota Statutes 2012, sections 148.171, subdivision 6; 148.235, subdivisions 1, 2, 2a, 4, 4a, 4b, 6, 7; 148.284.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2012, section 148.171, subdivision 3, is amended to read:

Subd. 3. **Advanced practice registered nurse.** "Advanced practice registered nurse," abbreviated APRN, means an individual licensed as ~~a~~ an advanced practice registered nurse by the board and certified by a national nurse certification organization acceptable to the board to practice as a clinical nurse specialist, nurse anesthetist, nurse-midwife, or nurse practitioner."

Delete the title and insert:

"A bill for an act relating to health; clarifying advanced practice registered nurse; amending Minnesota Statutes 2012, section 148.171, subdivision 3."

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

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

H. F. No. 1951, A bill for an act relating to retirement; providing for the consolidation of the Duluth Teachers Retirement Fund Association retirement plan and fund into the statewide Teachers Retirement Association; amending Minnesota Statutes 2012, sections 13.632, subdivision 1; 122A.18, subdivision 7a; 354.05, subdivisions 2,

13; 354.42, subdivisions 2, 3; 354A.011, subdivisions 11, 15a, 27; 354A.021, subdivision 1; 354A.092; 354A.093, subdivision 1; 354A.096; 354A.12, subdivision 2; 354A.31, subdivision 1; 354A.32, subdivision 1; 354A.35, subdivision 1; 354A.37, subdivisions 3, 4; 354A.39; 354A.41; 354B.21, subdivision 3a; 355.01, subdivision 2c; 356.302, subdivision 7; 356.303, subdivision 4; 356.32, subdivision 2; 356.42, subdivision 3; 356.465, subdivision 3; 356.47, subdivision 3; 356.99, subdivision 1; Minnesota Statutes 2013 Supplement, sections 353.01, subdivision 2b; 354.436; 354.44, subdivision 6; 354A.12, subdivisions 1, 2a, 3a; 356.20, subdivision 2; 356.214, subdivision 1; 356.215, subdivision 8; 356.219, subdivision 8; 356.30, subdivision 3; 356.401, subdivision 3; 423A.02, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 354; repealing Minnesota Statutes 2012, sections 354A.021, subdivision 5; 354A.108; 354A.24; 354A.27, subdivision 5; Minnesota Statutes 2013 Supplement, sections 354A.27, subdivisions 6a, 7; 354A.31, subdivision 4a.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
RETIREMENT PLAN MEMBERSHIP INCLUSIONS AND EXCLUSIONS

Section 1. Minnesota Statutes 2013 Supplement, section 352.01, subdivision 2a, is amended to read:

Subd. 2a. **Included employees.** (a) "State employee" includes:

- (1) employees of the Minnesota Historical Society;
- (2) employees of the State Horticultural Society;
- (3) employees of the Minnesota Crop Improvement Association;
- (4) employees of the adjutant general whose salaries are paid from federal funds and who are not covered by any federal civilian employees retirement system;
- (5) employees of the Minnesota State Colleges and Universities who are employed under the university or college activities program;
- (6) currently contributing employees covered by the system who are temporarily employed by the legislature during a legislative session or any currently contributing employee employed for any special service as defined in subdivision 2b, clause (8);
- (7) employees of the legislature who are appointed without a limit on the duration of their employment and persons employed or designated by the legislature or by a legislative committee or commission or other competent authority to conduct a special inquiry, investigation, examination, or installation;
- (8) trainees who are employed on a full-time established training program performing the duties of the classified position for which they will be eligible to receive immediate appointment at the completion of the training period;
- (9) employees of the Minnesota Safety Council;
- (10) any employees who are on authorized leave of absence from the Transit Operating Division of the former Metropolitan Transit Commission and who are employed by the labor organization which is the exclusive bargaining agent representing employees of the Transit Operating Division;

(11) employees of the Metropolitan Council, Metropolitan Parks and Open Space Commission, Metropolitan Sports Facilities Commission, or Metropolitan Mosquito Control Commission unless excluded under subdivision 2b or are covered by another public pension fund or plan under section 473.415, subdivision 3;

(12) judges of the Tax Court;

(13) personnel who were employed on June 30, 1992, by the University of Minnesota in the management, operation, or maintenance of its heating plant facilities, whose employment transfers to an employer assuming operation of the heating plant facilities, so long as the person is employed at the University of Minnesota heating plant by that employer or by its successor organization;

(14) personnel who are employed as seasonal employees in the classified or unclassified service;

(15) persons who are employed by the Department of Commerce as a peace officer in the Commerce Fraud Bureau under section 45.0135 who have attained the mandatory retirement age specified in section 43A.34, subdivision 4;

(16) employees of the University of Minnesota unless excluded under subdivision 2b, clause (3);

(17) employees of the Middle Management Association whose employment began after July 1, 2007, and to whom section 352.029 does not apply;

(18) employees of the Minnesota Government Engineers Council to whom section 352.029 does not apply;

(19) employees of the Minnesota Sports Facilities Authority; ~~and~~

(20) employees of the Minnesota Association of Professional Employees;

(21) employees of the Minnesota State Retirement System;

(22) employees of the State Agricultural Society;

(23) employees of the Gillette Children's Hospital Board who were employed in the state unclassified service at the former Gillette Children's Hospital on March 28, 1974; and

(24) if approved for coverage by the Board of Directors of Conservation Corps Minnesota, employees of Conservation Corps Minnesota so employed on June 30, 2003.

(b) Employees specified in paragraph (a), clause (13), are included employees under paragraph (a) if employer and employee contributions are made in a timely manner in the amounts required by section 352.04. Employee contributions must be deducted from salary. Employer contributions are the sole obligation of the employer assuming operation of the University of Minnesota heating plant facilities or any successor organizations to that employer.

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 2. Minnesota Statutes 2012, section 352.01, subdivision 2b, is amended to read:

Subd. 2b. **Excluded employees.** "State employee" does not include:

(1) persons who are:

(i) ~~students who are~~ employed by the University of Minnesota, or within the Minnesota State Colleges and Universities system, unless approved for coverage by the Board of Regents of the University of Minnesota or the Board of Trustees of the Minnesota State Colleges and Universities, ~~whichever is applicable applies~~;

(ii) employed as interns for a period not to exceed six months unless included under subdivision 2a, paragraph (a), clause (8);

(iii) employed as trainee employees unless included under subdivision 2a, paragraph (a), clause (8); or

(iv) employed in the student worker classification as designated by Minnesota Management and Budget;

(2) employees who are:

(i) eligible for membership in the state Teachers Retirement Association, ~~except employees unless the person is an employee~~ of the Department of Education who ~~have chosen or may choose~~ elected to be covered by the general state employees retirement plan of the Minnesota State Retirement System instead of the Teachers Retirement Association;

(ii) employees of the state who, in any year, were credited with 12 months of allowable service as a public school teacher and, as such, are members of a retirement plan governed by chapter 354 or 354A unless the employment is incidental employment as a state employee that is not covered by a retirement plan governed by chapter 354 or 354A;

(iii) employees of the state who are employed by the Board of Trustees of the Minnesota State Colleges and Universities in an unclassified position that is listed in section 43A.08, subdivision 1, clause (9);

(iv) persons employed by the Board of Trustees of the Minnesota State Colleges and Universities who elected retirement coverage other than by the general state employees retirement plan of the Minnesota State Retirement System under Minnesota Statutes 1994, section 136C.75;

(v) officers or enlisted personnel in the National Guard or in the naval militia who are assigned to permanent peacetime duty and who are or are required to be members of a federal retirement system under federal law;

(vi) persons employed by the Department of Military Affairs as full-time firefighters and who, as such, are members of the public employees police and fire retirement plan;

(vii) members of the State Patrol retirement plan under section 352B.011, subdivision 10;

(viii) off-duty police officers while employed by the Metropolitan Council and persons employed as full-time police officers by the Metropolitan Council and who, as such, are members of the public employees police and fire retirement plan; and

(ix) employees of the state who have elected to transfer account balances derived from state service to the unclassified state employees retirement program under section 352D.02, subdivision 1d;

(3) employees of the University of Minnesota who are excluded from coverage by action of the Board of Regents;

~~(4) officers and enlisted personnel in the National Guard and the naval militia who are assigned to permanent peacetime duty and who under federal law are or are required to be members of a federal retirement system;~~

~~(5)~~ (4) election officers judges and persons who are employed solely to administer elections;

~~(6)~~ (5) persons who are:

(i) engaged in public work for the state but who are employed by contractors when the performance of the contract is authorized by the legislature or other competent authority;

~~(7) officers and employees of the senate, or of the house of representatives, or of a legislative committee or commission who are temporarily employed;~~

(ii) employed to perform professional services where the service is incidental to the person's regular professional duties and where compensation is paid on a per diem basis; or

(iii) compensated on a fee payment basis or as an independent contractor;

(6) persons who are employed:

(i) on a temporary basis by the house of representatives, the senate, or a legislative commission or agency under the jurisdiction of the Legislative Coordinating Commission;

(ii) as a temporary employee on or after July 1 for a period ending on or before October 15 of that calendar year for the Minnesota State Agricultural Society or the Minnesota State Fair, or as an employee at any time for a special event held on the fairgrounds;

(iii) by the executive branch as a temporary employee in the classified service or as an executive branch temporary employee in the unclassified service if appointed for a definite period not to exceed six months, and if employment is less than six months, then in any 12-month period;

(iv) by the adjutant general if employed on an unlimited intermittent or temporary basis in the classified service or in the unclassified service for the support of Army or Air National Guard training facilities;

(v) by a state or federal program for training or rehabilitation as a temporary employee if employed for a limited period from an area of economic distress and if other than a skilled or supervisory personnel position or other than a position that has civil service status covered by the retirement system; and

(vi) by the Metropolitan Council or a statutory board of the Metropolitan Council where the members of the board are appointed by the Metropolitan Council as a temporary employee if the appointment does not exceed six months;

~~(8)~~ (7) receivers, jurors, notaries public, and court employees who are not in the judicial branch as defined in section 43A.02, subdivision 25, except referees and adjusters employed by the Department of Labor and Industry;

~~(9)~~ (8) patient and inmate help who perform services in state charitable, penal, and correctional institutions, including the a Minnesota Veterans Home;

~~(10) persons who are employed for professional services where the service is incidental to their regular professional duties and whose compensation is paid on a per diem basis;~~

~~(11)~~ (9) employees of the Sibley House Association;

(10) persons who are:

~~(12) the (i) members of any state board or commission who serve the state intermittently and are paid on a per diem basis; the secretary, secretary-treasurer, and treasurer of those boards if their compensation is \$5,000 or less per year, or, if they are legally prohibited from serving more than three years; and the board of managers of the State Agricultural Society and its treasurer unless the treasurer is also its full-time secretary;~~

~~(13) state troopers and persons who are described in section 352B.011, subdivision 10, clauses (2) to (8);~~

~~(14) temporary employees of the Minnesota State Fair who are employed on or after July 1 for a period not to extend beyond October 15 of that year; and persons who are employed at any time by the state fair administration for special events held on the fairgrounds;~~

(ii) examination monitors employed by a department, agency, commission, or board of the state to conduct examinations that are required by law; or

(iii) appointees serving as a member of a fact-finding commission or an adjustment panel, an arbitrator, or a labor referee under chapter 179;

~~(15) (11) emergency employees who are in the classified service; except that, but if an emergency employee, within the same pay period, becomes a provisional or probationary employee on other than a temporary basis, the employee must be considered a "state employee" retroactively to the beginning of the pay period;~~

~~(16) temporary employees in the classified service, and temporary employees in the unclassified service who are appointed for a definite period of not more than six months and who are employed less than six months in any one-year period;~~

~~(17) interns who are hired for six months or less and trainee employees, except those listed in subdivision 2a, clause (8);~~

~~(18) persons whose compensation is paid on a fee basis or as an independent contractor;~~

~~(19) state employees who are employed by the Board of Trustees of the Minnesota State Colleges and Universities in unclassified positions enumerated in section 43A.08, subdivision 1, clause (9);~~

~~(20) state employees who in any year have credit for 12 months service as teachers in the public schools of the state and as teachers are members of the Teachers Retirement Association or a retirement system in St. Paul, Minneapolis, or Duluth, except for incidental employment as a state employee that is not covered by one of the teacher retirement associations or systems;~~

~~(21) employees of the adjutant general who are employed on an unlimited intermittent or temporary basis in the classified or unclassified service for the support of Army and Air National Guard training facilities;~~

~~(22) chaplains and nuns (12) persons who are members of a religious order who are excluded from coverage under the federal Old Age, Survivors, Disability, and Health Insurance Program for the performance of service as specified in United States Code, title 42, section 410(a)(8)(A), as amended, if no irrevocable election of coverage has been made under section 3121(r) of the Internal Revenue Code of 1986, as amended through December 31, 1992;~~

~~(23) examination monitors who are employed by departments, agencies, commissions, and boards to conduct examinations required by law;~~

~~(24) persons who are appointed to serve as members of fact finding commissions or adjustment panels, arbitrators, or labor referees under chapter 179;~~

~~(25) temporary employees who are employed for limited periods under any state or federal program for training or rehabilitation, including persons who are employed for limited periods from areas of economic distress, but not including skilled and supervisory personnel and persons having civil service status covered by the system;~~

~~(26) full time students who are employed by the Minnesota Historical Society intermittently during part of the year and full time during the summer months;~~

~~(27) temporary employees who are appointed for not more than six months, of the Metropolitan Council and of any of its statutory boards, if the board members are appointed by the Metropolitan Council;~~

~~(28) persons who are employed in positions designated by the Department of Management and Budget as student workers;~~

~~(29) (13) members of trades who are employed by the successor to the Metropolitan Waste Control Commission, who have trade union pension plan coverage under a collective bargaining agreement, and who are first employed after June 1, 1977;~~

~~(30) off duty peace officers while employed by the Metropolitan Council;~~

~~(31) persons who are employed as full time police officers by the Metropolitan Council and as police officers are members of the public employees police and fire fund;~~

~~(32) persons who are employed as full time firefighters by the Department of Military Affairs and as firefighters are members of the public employees police and fire fund;~~

~~(33) (14) foreign citizens who are employed under a work permit of less than three years; or under an H-1b/JV H-1b visa or a J-1 visa that is initially valid for less than three years of employment, unless notice of a visa extension is supplied which allows them to work for three or more years as of the date that the extension is granted and is supplied to the retirement plan, in which case they are the person is eligible for coverage from the date extended of the extension; and~~

~~(34) persons who are employed by the Board of Trustees of the Minnesota State Colleges and Universities and who elected to remain members of the Public Employees Retirement Association or of the MERF division of the Public Employees Retirement Association as the successor of the Minneapolis Employees Retirement Fund, whichever applies, under Minnesota Statutes 1994, section 136C.75; and~~

~~(35) employees who have elected to transfer service to the unclassified program under section 352D.02, subdivision 1d.~~

(15) reemployed annuitants of the general state employees retirement plan, the military affairs personnel retirement plan, the transportation department pilots retirement plan, the state fire marshal employees retirement plan, or the correctional state employees retirement plan during the course of that reemployment.

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 3. Minnesota Statutes 2013 Supplement, section 353.01, subdivision 2a, is amended to read:

Subd. 2a. **Included employees; mandatory membership.** (a) Public employees whose annual salary exceeds \$425 in any month is stipulated in advance to exceed \$5,100 if the person is not a school district employee or \$3,800 if the person is a school district employee and who are not specifically excluded under subdivision 2b or who have not been provided an option to participate under subdivision 2d, whether individually or by action of the

governmental subdivision, must participate as members of the association with retirement coverage by the general employees retirement plan under this chapter, the public employees police and fire retirement plan under this chapter, or the local government correctional employees retirement plan under chapter 353E, whichever applies. Membership commences as a condition of their employment on the first day of their employment or on the first day that the eligibility criteria are met, whichever is later. Public employees include but are not limited to:

(1) persons whose salary meets the threshold in this paragraph from employment in one or more positions within one governmental subdivision;

(2) elected county sheriffs;

(3) persons who are appointed, employed, or contracted to perform governmental functions that by law or local ordinance are required of a public officer, including, but not limited to:

(i) town and city clerk or treasurer;

(ii) county auditor, treasurer, or recorder;

(iii) city manager as defined in section 353.028 who does not exercise the option provided under subdivision 2d; or

(iv) emergency management director, as provided under section 12.25;

(4) physicians under section 353D.01, subdivision 2, who do not elect public employees defined contribution plan coverage under section 353D.02, subdivision 2;

(5) full-time employees of the Dakota County Agricultural Society;

(6) employees of the Red Wing Port Authority who were first employed by the Red Wing Port Authority before May 1, 2011, and who are not excluded employees under subdivision 2b; ~~and~~

(7) employees of the Seaway Port Authority of Duluth who are not excluded employees under subdivision 2b-

(8) employees of the Stevens County Housing and Redevelopment Authority who were first employed by the Stevens County Housing and Redevelopment Authority before May 1, 2014, and who are not excluded employees under subdivision 2b; and

(9) employees of the Public Employees Retirement Association.

(b) A public employee or elected official who was a member of the association on June 30, 2002, based on employment that qualified for membership coverage by the public employees retirement plan or the public employees police and fire plan under this chapter, or the local government correctional employees retirement plan under chapter 353E as of June 30, 2002, retains that membership for the duration of the person's employment in that position or incumbency in elected office. Except as provided in subdivision 28, the person shall participate as a member until the employee or elected official terminates public employment under subdivision 11a or terminates membership under subdivision 11b.

(c) If the annual salary of an included public employee ~~is less than \$425~~ is stipulated in advance to exceed \$5,100 if the person is not a school district employee or \$3,800 if the person is a school district employee in any subsequent ~~month~~ year, the member retains membership eligibility.

(d) For the purpose of participation in the MERF division of the general employees retirement plan, public employees include employees who were members of the former Minneapolis Employees Retirement Fund on June 29, 2010, and who participate as members of the MERF division of the association.

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

Sec. 4. Minnesota Statutes 2013 Supplement, section 353.01, subdivision 2b, is amended to read:

Subd. 2b. **Excluded employees.** (a) The following public employees are not eligible to participate as members of the association with retirement coverage by the general employees retirement plan, the local government correctional employees retirement plan under chapter 353E, or the public employees police and fire retirement plan:

(1) persons whose annual salary from one governmental subdivision never exceeds an amount, stipulated in writing in advance, of \$5,100 if the person is not a school district employee or \$3,800 if the person is a school district employee. If annual compensation from one governmental subdivision to an employee exceeds the stipulated amount in a calendar year or a school year, whichever applies, after being stipulated in advance not to exceed the applicable amount, the stipulation is no longer valid and contributions must be made on behalf of the employee under section 353.27, subdivision 12, from the first month in which the employee received salary exceeding \$425 in a month;

(2) public officers who are elected to a governing body, city mayors, or persons who are appointed to fill a vacancy in an elective office of a governing body, whose term of office commences on or after July 1, 2002, for the service to be rendered in that elective position;

(3) ~~election officers or~~ election judges and persons employed solely to administer elections;

(4) patient and inmate personnel who perform services for a governmental subdivision;

(5) except as otherwise specified in subdivision 12a, employees who are ~~hired for~~ employed solely in a temporary position as defined under subdivision 12a, and employees who resign from a nontemporary position and accept a temporary position within 30 days of that resignation in the same governmental subdivision;

(6) employees who are employed by reason of work emergency caused by fire, flood, storm, or similar disaster, but if the person becomes a probationary or provisional employee within the same pay period, other than on a temporary basis, the person is a "public employee" retroactively to the beginning of the pay period;

(7) employees who by virtue of their employment in one governmental subdivision are required by law to be a member of and to contribute to any of the plans or funds administered by the Minnesota State Retirement System, the Teachers Retirement Association, the Duluth Teachers Retirement Fund Association, ~~and or~~ the St. Paul Teachers Retirement Fund Association, but this clause exclusion must not be construed to prevent a person from being a member of and contributing to the Public Employees Retirement Association and also belonging to and contributing to another public pension plan or fund for other service occurring during the same period of time, and a person who meets the definition of "public employee" in subdivision 2 by virtue of other service occurring during the same period of time becomes a member of the association unless contributions are made to another public retirement ~~fund plan~~ on the salary based on the other service or to the Teachers Retirement Association by a teacher as defined in section 354.05, subdivision 2;

(8) persons who are members of a religious order and are excluded from coverage under the federal Old Age, Survivors, Disability, and Health Insurance Program for the performance of service as specified in United States Code, title 42, section 410(a)(8)(A), as amended ~~through January 1, 1987~~, if no irrevocable election of coverage has been made under section 3121(r) of the Internal Revenue Code of 1954, as amended;

(9) ~~employees of persons who are:~~

(i) employed by a governmental subdivision who have not reached the age of 23 and who are enrolled on a full-time basis to attend or are attending classes on a full-time basis at an accredited school, college, or university in an undergraduate, graduate, or professional-technical program, or at a public or charter high school;

~~(40)~~ (ii) employed as resident physicians, medical interns, ~~and~~ pharmacist residents ~~and~~ or pharmacist interns ~~who and~~ are serving in a degree or residency program in a public ~~hospitals~~ hospital or ~~clinics in a public clinic; or~~

~~(44)~~ (iii) students who are serving for ~~up~~ a period not to exceed five years in an internship or a residency program that is sponsored by a governmental subdivision, including an accredited educational institution;

~~(42)~~ (10) persons who hold a part-time adult supplementary technical college license who render part-time teaching service in a technical college;

~~(43)~~ (11) except for employees of Hennepin County or employees of Hennepin Healthcare System, Inc., foreign citizens who are employed by a governmental subdivision under a work permit; or under an H-1b visa initially issued or extended for a combined period of of less than three years of employment; but upon extension of the employment of the visa beyond the three-year period, the foreign ~~citizens~~ citizen must be reported for membership beginning on the first of the month ~~thereafter provided~~ following the extension if the monthly earnings threshold as provided under subdivision 2a is met;

~~(44)~~ (12) public hospital employees who elected not to participate as members of the association before 1972 and who did not elect to participate from July 1, 1988, to October 1, 1988;

~~(45)~~ (13) except as provided in section 353.86, volunteer ambulance service personnel, as defined in subdivision 35, but persons who serve as volunteer ambulance service personnel may still qualify as public employees under subdivision 2 and may be members of the Public Employees Retirement Association and participants in the general employees retirement plan or the public employees police and fire plan, whichever applies, on the basis of compensation received from public employment service other than service as volunteer ambulance service personnel;

~~(46)~~ (14) except as provided in section 353.87, volunteer firefighters, as defined in subdivision 36, engaging in activities undertaken as part of volunteer firefighter duties, but a person who is a volunteer firefighter may still qualify as a public employee under subdivision 2 and may be a member of the Public Employees Retirement Association and a participant in the general employees retirement plan or the public employees police and fire plan, whichever applies, on the basis of compensation received from public employment activities other than those as a volunteer firefighter;

~~(47)~~ (15) pipefitters and associated trades personnel employed by Independent School District No. 625, St. Paul, with coverage under a collective bargaining agreement by the pipefitters local 455 pension plan who were either first employed after May 1, 1997, or, if first employed before May 2, 1997, elected to be excluded under Laws 1997, chapter 241, article 2, section 12;

~~(48)~~ (16) electrical workers, plumbers, carpenters, and associated trades personnel who are employed by Independent School District No. 625, St. Paul, or the city of St. Paul, who have retirement coverage under a collective bargaining agreement by the Electrical Workers Local 110 pension plan, the United Association Plumbers Local 34 pension plan, or the pension plan applicable to Carpenters Local ~~87~~ 322 who were either first employed after May 1, 2000, or, if first employed before May 2, 2000, elected to be excluded under Laws 2000, chapter 461, article 7, section 5;

~~(19)~~ (17) bricklayers, allied craftworkers, cement masons, glaziers, glassworkers, painters, allied tradesworkers, and plasterers who are employed by the city of St. Paul or Independent School District No. 625, St. Paul, with coverage under a collective bargaining agreement by the Bricklayers and Allied Craftworkers Local 1 pension plan, the Cement Masons Local 633 pension plan, the Glaziers and Glassworkers Local L-1324 pension plan, the Painters and Allied Trades Local 61 pension plan, or the Twin Cities Plasterers Local 265 pension plan who were either first employed after May 1, 2001, or if first employed before May 2, 2001, elected to be excluded under Laws 2001, First Special Session chapter 10, article 10, section 6;

~~(20)~~ (18) plumbers who are employed by the Metropolitan Airports Commission, with coverage under a collective bargaining agreement by the Plumbers Local 34 pension plan, who either were first employed after May 1, 2001, or if first employed before May 2, 2001, elected to be excluded under Laws 2001, First Special Session chapter 10, article 10, section 6;

~~(24)~~ (19) employees who are hired after June 30, 2002, solely to fill seasonal positions under subdivision 12b which are limited in duration by the employer to 185 consecutive calendar days or less in each year of employment with the governmental subdivision;

~~(22)~~ (20) persons who are provided supported employment or work-study positions by a governmental subdivision and who participate in an employment or industries program maintained for the benefit of these persons where the governmental subdivision limits the position's duration to up to five years, including persons participating in a federal or state subsidized on-the-job training, work experience, senior citizen, youth, or unemployment relief program where the training or work experience is not provided as a part of, or for, future permanent public employment;

~~(23)~~ (21) independent contractors and the employees of independent contractors;

~~(24)~~ (22) reemployed annuitants of the association during the course of that reemployment; ~~and~~

~~(25)~~ (23) persons appointed to serve on a board or commission of a governmental subdivision or an instrumentality thereof; and

(24) persons employed as full-time fixed-route bus drivers by the St. Cloud Metropolitan Transit Commission who are members of the International Brotherhood of Teamsters Local 638 and who are, by virtue of that employment, members of the International Brotherhood of Teamsters Central States pension plan.

(b) Any person performing the duties of a public officer in a position defined in subdivision 2a, paragraph (a), clause (3), is not an independent contractor and is not an employee of an independent contractor.

EFFECTIVE DATE. This section is effective July 1, 2014, except paragraph (a), clause (24), is effective retroactively from August 1, 1986.

Sec. 5. Minnesota Statutes 2012, section 353.27, is amended by adding a subdivision to read:

Subd. 10a. **Written disclosure of membership exclusion determination.** If the determination by the employer under section 353.01, subdivision 2a, paragraph (a), is to exclude a public employee from membership, the governmental subdivision shall provide the employee with a written notice of the exclusion on a form prescribed by the executive director. The notice must include the statutory basis for the exclusion and information about the employee's right to appeal the determination to the association under section 356.96. The employer must provide the exclusion notice to the employee within two weeks of the date of the determination and shall retain a copy in the person's personnel file.

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

Sec. 6. Minnesota Statutes 2012, section 354.05, subdivision 2, is amended to read:

Subd. 2. **Teacher.** (a) "Teacher" means:

(1) a person who renders service as a teacher, supervisor, principal, superintendent, librarian, nurse, counselor, social worker, therapist, or psychologist in a public school of the state ~~located outside of the corporate limits of the city of Duluth or the city of St. Paul other than in Independent School District No. 625 or in Independent School District No. 709,~~ or in any charter school, irrespective of the location of the school, or in any charitable, penal, or correctional institutions of a governmental subdivision, or who is engaged in educational administration in connection with the state public school system, ~~but excluding the University of Minnesota, whether the position be a public office or an employment, and not including the members or officers of any general governing or managing board or body;~~

(2) an employee of the Teachers Retirement Association;

(3) a person who renders teaching service on a part-time basis and who also renders other services for a single employing unit. ~~A person whose~~ where the teaching service comprises at least 50 percent of the combined employment salary is a member of the association for all services with the single employing unit. ~~If the person's teaching service comprises or, if~~ less than 50 percent of the combined employment salary, the executive director ~~must determine whether~~ determines all ~~or none~~ of the combined service is covered by the association; or

(4) a person who is not covered by the plans established under chapter 352D, 354A, or 354B and who is employed by the Board of Trustees of the Minnesota State Colleges and Universities system in an unclassified position as:

(i) a president, vice-president, or dean;

(ii) a manager or a professional in an academic or an academic support program other than specified in item (i);

(iii) an administrative or a service support faculty position; or

(iv) a teacher or a research assistant.

(b) "Teacher" does not mean:

(1) a person who works for a school or institution as an independent contractor as defined by the Internal Revenue Service;

(2) a person who renders part-time teaching service or who is a customized trainer as defined by the Minnesota State Colleges and Universities system if (i) the service is incidental to the regular nonteaching occupation of the person; and (ii) the employer stipulates annually in advance that the part-time teaching service or customized training service will not exceed 300 hours in a fiscal year and retains the stipulation in its records; and (iii) the part-time teaching service or customized training service actually does not exceed 300 hours in a fiscal year; or

(3) a person exempt from licensure under section 122A.30;

(4) annuitants of the teachers retirement plan who are employed after retirement by an employing unit that participates in the teachers retirement plan during the course of that reemployment;

(5) a person who is employed by the University of Minnesota;

(6) a member or an officer of any general governing or managing board or body of an employing unit that participates in the teachers retirement plan; or

(7) a person employed by Independent School District No. 625 or Independent School District No. 709 as a teacher as defined in section 354A.011, subdivision 27.

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 7. Minnesota Statutes 2012, section 354A.011, subdivision 27, is amended to read:

Subd. 27. **Teacher.** (a) "Teacher" means any person who renders service for a public school district, other than a charter school, located in the corporate limits of Duluth or St. Paul, as any of the following:

(1) a full-time employee in a position for which a valid license from the state Department of Education is required;

(2) an employee of the teachers retirement fund association located in the city of the first class;

(3) a part-time employee in a position for which a valid license from the state Department of Education is required; or

(4) a part-time employee in a position for which a valid license from the state Department of Education is required who also renders other nonteaching services for the school district, unless the board of trustees of the teachers retirement fund association determines that the combined employment is on the whole so substantially dissimilar to teaching service that the service may not be covered by the association.

(b) The term does not mean any person who renders service in the school district as any of the following:

(1) an independent contractor or the employee of an independent contractor;

(2) an employee who is a full-time teacher covered by the Teachers Retirement Association or by another teachers retirement fund association established pursuant to this chapter or chapter 354;

(3) an employee who is exempt from licensure pursuant to section 122A.30;

(4) an employee who is a teacher in a technical college located in a city of the first class unless the person elects coverage by the applicable first class city teacher retirement fund association under section 354B.21, subdivision 2;

(5) a teacher employed by a charter school, irrespective of the location of the school; ~~or~~

(6) an employee who is a part-time teacher in a technical college in a city of the first class and who has elected coverage by the applicable first class city teacher retirement fund association under section 354B.21, subdivision 2, but (i) the teaching service is incidental to the regular nonteaching occupation of the person; (ii) the applicable technical college stipulates annually in advance that the part-time teaching service will not exceed 300 hours in a fiscal year; and (iii) the part-time teaching actually does not exceed 300 hours in the fiscal year to which the certification applies; ~~or~~

(7) a person who is receiving a retirement annuity from the Teachers Retirement Fund Association and is employed after retirement by the school district associated with the retirement fund association.

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 8. Minnesota Statutes 2012, section 356.24, subdivision 1, is amended to read:

Subdivision 1. **Restriction; exceptions.** It is unlawful for a school district or other governmental subdivision or state agency to levy taxes for or to contribute public funds to a supplemental pension or deferred compensation plan that is established, maintained, and operated in addition to a primary pension program for the benefit of the governmental subdivision employees other than:

(1) to a supplemental pension plan that was established, maintained, and operated before May 6, 1971;

(2) to a plan that provides solely for group health, hospital, disability, or death benefits;

(3) to the individual retirement account plan established by chapter 354B;

(4) to a plan that provides solely for severance pay under section 465.72 to a retiring or terminating employee;

(5) for employees other than personnel employed by the Board of Trustees of the Minnesota State Colleges and Universities and covered under the Higher Education Supplemental Retirement Plan under chapter 354C, but including city managers covered by an alternative retirement arrangement under section 353.028, subdivision 3, paragraph (a), or by the defined contribution plan of the Public Employees Retirement Association under section 353.028, subdivision 3, paragraph (b), if the supplemental plan coverage is provided for in a personnel policy of the public employer or in the collective bargaining agreement between the public employer and the exclusive representative of public employees in an appropriate unit or in the individual employment contract between a city and a city manager, and if for each available investment all fees and historic rates of return for the prior one-, three-, five-, and ten-year periods, or since inception, are disclosed in an easily comprehended document not to exceed two pages, in an amount matching employee contributions on a dollar for dollar basis, but not to exceed an employer contribution of one-half of the available elective deferral permitted per year per employee, under the Internal Revenue Code:

(i) to the state of Minnesota deferred compensation plan under section 352.965;

(ii) in payment of the applicable portion of the contribution made to any investment eligible under section 403(b) of the Internal Revenue Code, if the employing unit has complied with any applicable pension plan provisions of the Internal Revenue Code with respect to the tax-sheltered annuity program during the preceding calendar year; or

(iii) any other deferred compensation plan offered by the employer under section 457 of the Internal Revenue Code;

(6) for personnel employed by the Board of Trustees of the Minnesota State Colleges and Universities and not covered by clause (5), to the supplemental retirement plan under chapter 354C, if the supplemental plan coverage is provided for in a personnel policy or in the collective bargaining agreement of the public employer with the exclusive representative of the covered employees in an appropriate unit, in an amount matching employee contributions on a dollar for dollar basis, but not to exceed an employer contribution of \$2,700 a year for each employee;

(7) to a supplemental plan or to a governmental trust to save for postretirement health care expenses qualified for tax-preferred treatment under the Internal Revenue Code, if the supplemental plan coverage is provided for in a personnel policy or in the collective bargaining agreement of a public employer with the exclusive representative of the covered employees in an appropriate unit;

(8) to the laborers national industrial pension fund or to a laborers local pension fund for the employees of a governmental subdivision who are covered by a collective bargaining agreement that provides for coverage by that fund and that sets forth a fund contribution rate, but not to exceed an employer contribution of \$5,000 per year per employee;

(9) to the plumbers and pipefitters national pension fund or to a plumbers and pipefitters local pension fund for the employees of a governmental subdivision who are covered by a collective bargaining agreement that provides for coverage by that fund and that sets forth a fund contribution rate, but not to exceed an employer contribution of \$5,000 per year per employee;

(10) to the international union of operating engineers pension fund for the employees of a governmental subdivision who are covered by a collective bargaining agreement that provides for coverage by that fund and that sets forth a fund contribution rate, but not to exceed an employer contribution of \$5,000 per year per employee;

(11) to a supplemental plan organized and operated under the federal Internal Revenue Code, as amended, that is wholly and solely funded by the employee's accumulated sick leave, accumulated vacation leave, and accumulated severance pay;

(12) to the International Association of Machinists national pension fund for the employees of a governmental subdivision who are covered by a collective bargaining agreement that provides for coverage by that fund and that sets forth a fund contribution rate, but not to exceed an employer contribution of \$5,000 per year per employee;

(13) for employees of United Hospital District, Blue Earth, to the state of Minnesota deferred compensation program, if the employee makes a contribution, in an amount that does not exceed the total percentage of covered salary under section 353.27, subdivisions 3 and 3a; ~~or~~

(14) to the alternative retirement plans established by the Hennepin County Medical Center under section 383B.914, subdivision 5-; or

(15) to the International Brotherhood of Teamsters Central States pension plan for fixed-route bus drivers employed by the St. Cloud Metropolitan Transit Commission who are members of the International Brotherhood of Teamsters Local 638 by virtue of that employment.

EFFECTIVE DATE. This section is effective retroactively from August 1, 1986.

Sec. 9. VALIDATION OF PAST RETIREMENT COVERAGE AND CONTRIBUTIONS FOR STEVENS COUNTY HOUSING AND REDEVELOPMENT AUTHORITY EMPLOYEES.

(a) Retirement coverage by the general employees plan of the Public Employees Retirement Association, allowable service credit, and salary credit for employees of the Stevens County Housing and Redevelopment Authority who were so employed after November 7, 1984, and were first so employed before May 1, 2014, who had monthly salary in any month of at least \$325 until June 30, 1988, and who had monthly salary in any month of at least \$425 after June 30, 1988, who were not otherwise excluded under the applicable edition of Minnesota Statutes, section 353.01, subdivision 2b, and who had member deductions taken and transferred in a timely manner to the general employees retirement fund before the effective date of this section are hereby validated.

(b) Notwithstanding any provision of Minnesota Statutes, chapter 353, to the contrary, employee contributions deducted from employees of the Stevens County Housing and Redevelopment Authority described in paragraph (a) before the effective date of this section and associated employer contributions are valid assets of the general employees retirement fund and are not subject to refund or adjustment for erroneous receipt except as provided in Minnesota Statutes, section 353.32, subdivision 1 or 2; or 353.34, subdivisions 1 and 2.

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

ARTICLE 2
RETIREMENT GOVERNING BOARD PROVISIONS

Section 1. Minnesota Statutes 2012, section 352.03, subdivision 1, is amended to read:

Subdivision 1. **Membership of board; election; term.** (a) The policy-making function of the system is vested in a board of 11 members known as the board of directors. This board shall consist of:

(1) three members appointed by the governor, one of whom must be a constitutional officer or appointed state official and two of whom must be public members knowledgeable in pension matters;

(2) four state employees elected by ~~state employees covered by the system~~ active members and former members eligible for a deferred annuity from the general state employees retirement plan, excluding employees in categories specifically authorized to designate or elect a member by this subdivision, and deferred annuitants for whom a board member is designated;

(3) one employee of the Metropolitan Council's transit operations or its successor agency designated by the executive committee of the labor organization that is the exclusive bargaining agent representing employees of the transit division;

(4) one ~~employee who is a member of the State Patrol retirement fund plan~~ elected by active members of and former members eligible for a deferred annuity from that fund at a time and in a manner fixed by the board, plan;

(5) one employee ~~covered by~~ who is a member of the correctional state employees retirement plan established under this chapter elected by ~~employees covered by~~ active members and former members eligible for a deferred annuity from that plan; and

(6) one retired employee of a plan included in the system, elected by disabled and retired employees of all the plans administered by the system at a time and in a manner ~~to be fixed~~ determined by the board.

(b) The terms of the four elected state employees under paragraph (a), clause (2), must be staggered, with two of the state employee members board positions elected each biennium, whose terms of office begin on the first Monday in May after their election, ~~must be elected biennially~~. Elected members and the appointed member of the Metropolitan Council's transit operations hold office for a term of four years and until their successors are elected or appointed, and have qualified.

(c) An employee or former employee of the system is not eligible for membership on the board of directors. A state employee on leave of absence is not eligible for election or reelection to membership on the board of directors.

(d) The term of any board member who is on leave for more than six months automatically ends on expiration of the term of office.

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

Sec. 2. Minnesota Statutes 2012, section 352.03, is amended by adding a subdivision to read:

Subd. 1b. **Membership voting limitations.** Active members and former members eligible for a deferred annuity from a plan under this chapter or chapter 352B are eligible to vote in board elections as further specified and restricted in this section. Retired members and disabilitants from a plan in the system may vote only for the retired member position under subdivision 1, paragraph (a), clause (6). If a former member eligible for a deferred annuity from a plan under this chapter or chapter 352B is a deferred annuitant from more than one plan covered by the

system, that person is eligible to vote only in elections applicable for deferred annuitants from the plan in the system from which the person last received allowable service. If a person is an active member of a plan in the system and is a deferred annuitant or a retiree from another plan or plans in the system, the person is only eligible to vote in board elections applicable due to the active member plan membership. If a person is a deferred annuitant from a plan in the system and is also a retiree from another plan in the system, the person is only eligible to vote in elections applicable due to the retiree status.

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

ARTICLE 3
RETIREMENT PLAN CONTRIBUTION RATE CHANGES

Section 1. Minnesota Statutes 2012, section 352.04, subdivision 2, is amended to read:

Subd. 2. **Employee contributions.** (a) The employee contribution to the fund must be equal to the following percent of salary:

before July 1, 2007	4.00
from July 1, 2007, to June 30, 2008	4.25
from July 1, 2008, to June 30, 2009	4.50
from July 1, 2009, to June 30, 2010	4.75
from July 1, 2010, <u>and thereafter to June 30, 2014</u>	5.00-
<u>from July 1, 2014, and thereafter</u>	<u>5.50.</u>

(b) These contributions must be made by deduction from salary as provided in subdivision 4.

EFFECTIVE DATE. This section is effective on the first day of the first full pay period beginning after July 1, 2014.

Sec. 2. Minnesota Statutes 2012, section 352.04, subdivision 3, is amended to read:

Subd. 3. **Employer contributions.** The employer contribution to the fund must be equal to the following percent of salary:

before July 1, 2007	4.00
from July 1, 2007, to June 30, 2008	4.25
from July 1, 2008, to June 30, 2009	4.50
from July 1, 2009, to June 30, 2010	4.75
from July 1, 2010, <u>and thereafter to June 30, 2014</u>	5.00-
<u>from July 1, 2014, and thereafter</u>	<u>5.50.</u>

EFFECTIVE DATE. This section is effective on the first day of the first full pay period beginning after July 1, 2014.

Sec. 3. Minnesota Statutes 2012, section 352.92, subdivision 1, is amended to read:

Subdivision 1. **Employee contributions.** (a) Employee contributions of covered correctional employees must be in an amount equal to the following percent of salary:

before July 1, 2007	5.69
from July 1, 2007, to June 30, 2008	6.40
from July 1, 2008, to June 30, 2009	7.00

from July 1, 2009, to June 30, 2010	7.70
from July 1, 2010, and thereafter to June 30, 2014	8.60-
<u>from July 1, 2014, and thereafter</u>	<u>9.10.</u>

(b) These contributions must be made by deduction from salary as provided in section 352.04, subdivision 4.

EFFECTIVE DATE. This section is effective on the first day of the first full pay period beginning after July 1, 2014.

Sec. 4. Minnesota Statutes 2012, section 352.92, subdivision 2, is amended to read:

Subd. 2. **Employer contributions.** The employer shall contribute for covered correctional employees an amount equal to the following percent of salary:

before July 1, 2007	7.98
from July 1, 2007, to June 30, 2008	9.10
from July 1, 2008, to June 30, 2009	10.10
from July 1, 2009, to June 30, 2010	11.10
from July 1, 2010, and thereafter to June 30, 2014	12.10-
<u>from July 1, 2014, and thereafter</u>	<u>12.85.</u>

EFFECTIVE DATE. This section is effective on the first day of the first full pay period beginning after July 1, 2014.

Sec. 5. Minnesota Statutes 2012, section 353.27, subdivision 2, is amended to read:

Subd. 2. **General employees retirement plan; employee contribution.** (a) For a basic member of the general employees retirement plan of the Public Employees Retirement Association, the employee contribution is 9.10 percent of salary. For a coordinated member of the general employees retirement plan of the Public Employees Retirement Association, the employee contribution is the following percentage of salary plus any contribution rate adjustment under subdivision 3b:

Effective before January 1, 2011	6.00
Effective after December 31, 2010	6.25
<u>Effective January 1, 2015</u>	<u>6.50.</u>

(b) These contributions must be made by deduction from salary as defined in section 353.01, subdivision 10, in the manner provided in subdivision 4. If any portion of a member's salary is paid from other than public funds, the member's employee contribution must be based on the total salary received by the member from all sources.

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

Sec. 6. Minnesota Statutes 2012, section 353.27, subdivision 3, is amended to read:

Subd. 3. **General employees retirement plan; employer contribution.** (a) For a basic member of the general employees retirement plan of the Public Employees Retirement Association, the employer contribution is 9.10 percent of salary. For a coordinated member of the general employees retirement plan of the Public Employees Retirement Association, the employer contribution is the following percentage of salary plus any contribution rate adjustment under subdivision 3b:

Effective before January 1, 2011	6.00
Effective after December 31, 2010	6.25
<u>Effective January 1, 2015</u>	<u>6.50.</u>

(b) This contribution must be made from funds available to the employing subdivision by the means and in the manner provided in section 353.28.

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

Sec. 7. Minnesota Statutes 2012, section 353.27, subdivision 3b, is amended to read:

Subd. 3b. **Change in employee and employer contributions in certain instances.** (a) For purposes of this section:

(1) a contribution sufficiency exists if the total of the employee contribution under subdivision 2, the employer contribution under subdivision 3, the additional employer contribution under subdivision 3a, and any additional contribution previously imposed under this subdivision exceeds the total of the normal cost, the administrative expenses, and the amortization contribution of the general employees retirement plan as reported in the most recent actuarial valuation of the retirement plan prepared by the actuary retained under section 356.214 and prepared under section 356.215 and the standards for actuarial work of the Legislative Commission on Pensions and Retirement; and

(2) a contribution deficiency exists if the total of the employee contributions under subdivision 2, the employer contributions under subdivision 3, the additional employer contribution under subdivision 3a, and any additional contribution previously imposed under this subdivision is less than the total of the normal cost, the administrative expenses, and the amortization contribution of the general employees retirement plan as reported in the most recent actuarial valuation of the retirement plan prepared by the actuary retained under section 356.214 and prepared under section 356.215 and the standards for actuarial work of the Legislative Commission on Pensions and Retirement.

(b) Employee and employer contributions to the general employees retirement plan under subdivisions 2 and 3 must be adjusted:

(1) ~~if, on or after July 1, 2010,~~ the regular actuarial valuation of the general employees retirement plan of the Public Employees Retirement Association under section 356.215 indicates that there is a contribution sufficiency under paragraph (a) greater than one percent of covered payroll and that the sufficiency has existed for at least two consecutive years, the coordinated program employee and employer contribution rates must be decreased as determined under paragraph (c) to a level such that the sufficiency is no greater than one percent of covered payroll based on the most recent actuarial valuation; or

(2) ~~if, on or after July 1, 2010,~~ the regular actuarial valuation of the general employees retirement plan of the Public Employees Retirement Association under section 356.215 indicates that there is a contribution deficiency equal to or greater than 0.5 percent of covered payroll and that the deficiency has existed for at least two consecutive years, the coordinated program employee and employer contribution rates must be increased as determined under paragraph (d) to a level such that no deficiency exists based on the most recent actuarial valuation.

(c) If the actuarially required contribution of the general employees retirement plan is less than the total support provided by the combined employee and employer contribution rates under subdivisions 2, 3, and 3a, by more than one percent of covered payroll, the general employees retirement plan coordinated program employee and employer contribution rates under subdivisions 2 and 3 must be decreased incrementally over one or more years by no more than 0.25 percent of pay each for employee and employer matching contribution rates to a level such that there remains a contribution sufficiency of at least one percent of covered payroll. No contribution rate decrease may be made until at least two years have elapsed since any adjustment under this subdivision has been fully implemented.

(d) If the actuarially required contribution exceeds the total support provided by the combined employee and employer contribution rates under subdivisions 2, 3, and 3a, the employee and matching employer contribution rates must be increased equally to eliminate that contribution deficiency. If the contribution deficiency is:

(1) less than two percent, the incremental increase may be up to 0.25 percent for the general employees retirement plan employee and matching employer contribution rates;

(2) greater than 1.99 percent and less than 4.01 percent, the incremental increase may be up to 0.5 percent for the employee and matching employer contribution rates; or

(3) greater than four percent, the incremental increase may be up to 0.75 percent for the employee and matching employer contribution.

(e) The general employees retirement plan contribution sufficiency or deficiency determination under paragraphs (a) to (d) must be made without the inclusion of the contributions to, the funded condition of, or the actuarial funding requirements of the MERF division.

(f) Any recommended adjustment to the contribution rates must be reported to the chair and the executive director of the Legislative Commission on Pensions and Retirement by January 15 following the receipt of the most recent annual actuarial valuation prepared under section 356.215. If the Legislative Commission on Pensions and Retirement does not recommend against the rate change or does not recommend a modification in the rate change, the recommended adjustment becomes effective on the first day of the first full payroll period in the fiscal year for any salary paid on or after the January 1 next following receipt of the most recent actuarial valuation that gave rise to the adjustment the legislative session in which the Legislative Commission on Pensions and Retirement did not take any action to disapprove or modify the Public Employees Retirement Association Board of Trustees' recommendation to adjust the employee and employer rates.

(g) A contribution sufficiency of up to one percent of covered payroll must be held in reserve to be used to offset any future actuarially required contributions that are more than the total combined employee and employer contributions under subdivisions 2, 3, and 3a.

(h) Before any reduction in contributions to eliminate a sufficiency in excess of one percent of covered pay may be recommended, the executive director must review any need for a change in actuarial assumptions, as recommended by the actuary retained under section 356.214 in the most recent experience study of the general employees retirement plan prepared under section 356.215 and the standards for actuarial work promulgated by the Legislative Commission on Pensions and Retirement that may result in an increase in the actuarially required contribution and must report to the Legislative Commission on Pensions and Retirement any recommendation by the board to use the sufficiency exceeding one percent of covered payroll to offset the impact of an actuarial assumption change recommended by the actuary retained under section 356.214, subdivision 1, and reviewed by the actuary retained by the commission under section 356.214, subdivision 4.

(i) No contribution sufficiency in excess of one percent of covered pay may be proposed to be used to increase benefits, and no benefit increase may be proposed that would initiate an automatic adjustment to increase contributions under this subdivision. Any proposed benefit improvement must include a recommendation, prepared by the actuary retained under section 356.214, subdivision 1, and reviewed by the actuary retained by the Legislative Commission on Pensions and Retirement as provided under section 356.214, subdivision 4, on how the benefit modification will be funded.

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

ARTICLE 4 JOINT AND SURVIVOR OPTIONAL ANNUITY COMPUTATION DISCOUNT RATE

Section 1. Minnesota Statutes 2012, section 3A.01, subdivision 1a, is amended to read:

Subd. 1a. **Actuarial equivalent.** (a) "Actuarial equivalent" means the condition of one allowance or benefit having an equal actuarial present value to another allowance or benefit, determined by the actuary retained under section 356.214 as of a given date at a specified age with each actuarial present value based on the mortality table applicable for the plan and approved under section 356.215, subdivision 18, and using the applicable preretirement or postretirement interest rate assumption specified in section 356.215, subdivision 8.

(b) For purposes of computing a joint and survivor annuity, the postretirement interest rate assumption specified in section 356.461 must be used, rather than the postretirement interest rate specified in section 356.215, subdivision 8.

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 2. Minnesota Statutes 2012, section 352.01, subdivision 12, is amended to read:

Subd. 12. **Actuarial equivalent.** (a) "Actuarial equivalent" means the condition of one annuity or benefit having an equal actuarial present value as another annuity or benefit, determined as of a given date at a specified age with each actuarial present value based on the appropriate mortality table adopted by the board of directors based on the experience of the fund as recommended by the actuary retained under section 356.214, and approved under section 356.215, subdivision 18, and using the applicable preretirement or postretirement interest rate assumption specified in section 356.215, subdivision 8.

(b) For purposes of computing a joint and survivor annuity, the postretirement interest rate assumption specified in section 356.461 must be used, rather than the postretirement interest rate specified in section 356.215, subdivision 8.

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 3. Minnesota Statutes 2013 Supplement, section 352.03, subdivision 4, is amended to read:

Subd. 4. **Duties and powers of board of directors.** (a) The board shall:

- (1) elect a chair;
- (2) appoint an executive director;
- (3) establish rules to administer this chapter and chapters 3A, 352B, 352C, 352D, and 490 and transact the business of the system, subject to the limitations of law;
- (4) consider and dispose of, or take any other action the board of directors deems appropriate concerning, denials of applications for annuities or disability benefits under this chapter, chapter 3A, 352B, 352C, 352D, or 490, and complaints of employees and others pertaining to the retirement of employees and the operation of the system;
- (5) oversee the administration of the deferred compensation plan established in section 352.965;
- (6) oversee the administration of the health care savings plan established in section; and
- (7) approve early retirement and optional annuity factors for all plans administered by the system, including approving retirement annuity factors for the unclassified state employees program under chapter 352D, subject to review by the actuary retained by the Legislative Commission on Pensions and Retirement; establish the schedule for implementation of the approved factors; and notify the Legislative Commission on Pensions and Retirement of the implementation schedule.

(b) The board shall advise the director on any matters relating to the system and carrying out functions and purposes of this chapter. The board's advice shall control.

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 4. Minnesota Statutes 2012, section 352B.08, subdivision 3, is amended to read:

Subd. 3. **Optional annuity forms.** (a) In lieu of the single life annuity provided in subdivision 2, the member or former member may elect an optional annuity form. The board of the Minnesota state retirement system shall establish a joint and survivor annuity, payable to a designated beneficiary for life, adjusted to the actuarial equivalent value of the single life annuity. The board shall also establish an additional optional annuity with an actuarial equivalent value of the single life annuity in the form of a joint and survivor annuity which provides that the elected annuity be reinstated to the single life annuity provided in subdivision 2, if after commencing the elected joint and survivor annuity, the designated beneficiary dies before the member, which reinstatement is not retroactive but takes effect for the first full month occurring after the death of the designated beneficiary. The board may also establish other actuarial equivalent value optional annuity forms. In establishing actuarial equivalent value optional annuity forms, each optional annuity form shall have the same present value as a regular single life annuity using the mortality table adopted by the board and the interest assumption specified in section 356.215, subdivision 8, ~~and~~.

(b) For purposes of computing a joint and survivor annuity, the postretirement interest rate assumption specified in section 356.461 must be used, rather than the postretirement interest rate specified in section 356.215, subdivision 8.

(c) The board shall obtain the written recommendation of the actuary retained under section 356.214. These recommendations shall be a part of the permanent records of the board.

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 5. Minnesota Statutes 2012, section 353.01, subdivision 14, is amended to read:

Subd. 14. **Actuarial equivalent.** (a) "Actuarial equivalent" means the condition of one annuity or benefit having an equal actuarial present value as another annuity or benefit, determined as of a given date with each actuarial present value based on the appropriate mortality table adopted by the board of trustees based on the experience of the fund as recommended by the actuary retained under section 356.214, and approved under section 356.215, subdivision 18, and using the applicable preretirement or postretirement interest rate assumption specified in section 356.215, subdivision 8.

(b) For purposes of computing a joint and survivor annuity, the postretirement interest rate assumption specified in section 356.461 must be used rather than the postretirement interest rate specified in section 356.215, subdivision 8.

EFFECTIVE DATE. This section is effective on the same date as the next mortality assumption adjustment or on July 1, 2017, whichever is earlier.

Sec. 6. Minnesota Statutes 2012, section 353.30, subdivision 3, is amended to read:

Subd. 3. **Optional retirement annuity forms.** (a) The board of trustees shall establish optional annuities which shall take the form of a joint and survivor annuity. Except as provided in subdivision 3a, the optional annuity forms shall be actuarially equivalent to the forms provided in section 353.29 and subdivisions 1, 1a, 1b, 1c, and 5. In establishing those optional forms, the board shall obtain the written recommendation of the actuary retained under section 356.214. The recommendations shall be a part of the permanent records of the board. A member or former member may select an optional form of annuity, subject to the provisions of section 356.46, in lieu of accepting any other form of annuity which might otherwise be available.

(b) For purposes of computing a joint and survivor annuity, the postretirement interest rate assumption specified in section 356.461 must be used rather than the postretirement interest rate specified in section 356.215, subdivision 8.

EFFECTIVE DATE. This section is effective on the same date as the next mortality assumption adjustment or on July 1, 2017, whichever is earlier.

Sec. 7. Minnesota Statutes 2012, section 354.05, subdivision 7, is amended to read:

Subd. 7. **Actuarial equivalent.** (a) "Actuarial equivalent" means the condition of one annuity or benefit having an equal actuarial present value as another annuity or benefit, determined as of a given date with each actuarial present value based on the appropriate mortality table adopted by the board of trustees based on the experience of the association as recommended by the actuary retained under section 356.214, and approved under section 356.215, subdivision 18, and using the applicable preretirement or postretirement interest rate assumption specified in section 356.215, subdivision 8.

(b) For purposes of computing a joint and survivor annuity, the postretirement interest rate assumption specified in section 356.461 must be used rather than the postretirement interest rate specified in section 356.215, subdivision 8.

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 8. **[356.461] VARIOUS RETIREMENT SYSTEMS; JOINT AND SURVIVOR ANNUITY COMPUTATION.**

Subdivision 1. **Joint and survivor annuity computation.** Notwithstanding any provision of section 356.215, subdivision 8, or 356.415, subdivision 3, to the contrary, for purposes of computing joint and survivor annuities, the applicable postretirement interest assumption is 6.5 percent.

Subd. 2. **Covered plans.** This section applies to the following retirement plans:

(1) the legislators retirement plan, established under chapter 3A, including constitutional officers as specified in that chapter;

(2) the correctional state employees retirement plan of the Minnesota State Retirement System, established under chapter 352;

(3) the general state employees retirement plan of the Minnesota State Retirement System, established under chapter 352;

(4) the State Patrol retirement plan, established under chapter 352B;

(5) the unclassified state employees retirement program of the Minnesota State Retirement System, established under chapter 352D;

(6) the judges retirement plan, established under chapter 490;

(7) the general employees retirement plan of the Public Employees Retirement Association, established under chapter 353, including the MERF division of the Public Employees Retirement Association;

(8) the public employees police and fire retirement plan of the Public Employees Retirement Association, established under chapter 353;

(9) the local government correctional service retirement plan of the Public Employees Retirement Association, established under chapter 353E; and

(10) the Teachers Retirement Association, established under chapter 354.

EFFECTIVE DATE. (a) For plans administered by the Minnesota State Retirement System and the Teachers Retirement Association, this section is effective July 1, 2014.

(b) For plans administered by the Public Employees Retirement Association, this section applies to the determination of joint and survivor factors implemented for the applicable Public Employees Retirement Association plan effective on the same date as the next mortality assumption adjustment or on July 1, 2017, whichever is earlier.

Sec. 9. Minnesota Statutes 2012, section 490.121, subdivision 2a, is amended to read:

Subd. 2a. **Actuarial equivalent.** (a) "Actuarial equivalent" means the condition of one annuity or benefit having an equal actuarial present value as another annuity or benefit, determined as of a given date with each actuarial present value based on the appropriate mortality table adopted by the board of directors of the Minnesota State Retirement System based on the experience of the fund as recommended by the actuary retained under section 356.214 and approved under section 356.215, subdivision 18, and using the applicable preretirement or postretirement interest rate assumption specified in section 356.215, subdivision 8.

(b) For purposes of computing a joint and survivor annuity, the postretirement interest rate assumption specified in section 356.461 must be used, rather than the postretirement interest rate assumption specified in section 356.215, subdivision 8.

EFFECTIVE DATE. This section is effective July 1, 2014.

ARTICLE 5 MSRS-CORRECTIONAL RETIREMENT PLAN COVERAGE CHANGES

Section 1. Minnesota Statutes 2012, section 352.90, is amended to read:

352.90 POLICY.

It is the policy of the legislature to provide special retirement benefits for and special contributions by certain correctional employees who may be required to retire at an early age because they lose the mental or physical capacity required to maintain the safety, security, discipline, and custody of inmates at state correctional facilities ~~or~~ of patients ~~at~~ in the state-operated forensic services program, which is comprised of the Minnesota Security Hospital, the forensic nursing home, the forensic transition service, and the competency restoration program; of patients in the Minnesota sex offender program; or of patients in the Minnesota Specialty Health System-Cambridge.

Sec. 2. Minnesota Statutes 2012, section 352.91, subdivision 1, is amended to read:

Subdivision 1. **Qualifying jobs.** "Covered correctional service" means service performed by a state employee, as defined in section 352.01, employed at a state correctional facility, the ~~Minnesota Security Hospital~~ state-operated forensic services program, or the Minnesota sex offender program as:

(1) a corrections officer 1;

(2) a corrections officer 2;

- (3) a corrections officer 3;
- (4) a corrections officer supervisor;
- (5) a corrections lieutenant;
- (6) a corrections captain;
- (7) a security counselor;
- (8) a security counselor lead; or
- (9) a corrections canine officer.

Sec. 3. Minnesota Statutes 2012, section 352.91, subdivision 2, is amended to read:

Subd. 2. **Maintenance, correctional industry, and trades.** "Covered correctional service" also means service rendered at any time by state employees as maintenance personnel, correctional industry personnel, or members of trades certified by the commissioner of management and budget to the executive director as being engaged for at least 75 percent of the employee's working time in the rehabilitation, treatment, custody, or supervision of inmates at a Minnesota correctional facility, or of patients ~~at in the Minnesota Security Hospital~~ state-operated forensic services program or the Minnesota sex offender program.

Sec. 4. Minnesota Statutes 2012, section 352.91, subdivision 3c, is amended to read:

Subd. 3c. **Nursing personnel.** (a) "Covered correctional service" means service by a state employee in one of the employment positions at a correctional facility ~~or at, in the Minnesota Security Hospital~~ state-operated forensic services program, or in the Minnesota sex offender program that are specified in paragraph (b) if at least 75 percent of the employee's working time is spent in direct contact with inmates or patients and the fact of this direct contact is certified to the executive director by the appropriate commissioner.

(b) The employment positions are as follows:

- (1) registered nurse - senior;
- (2) registered nurse;
- (3) registered nurse - principal;
- (4) licensed practical nurse 2;
- (5) registered nurse advance practice; and
- (6) psychiatric advance practice registered nurse.

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

Sec. 5. Minnesota Statutes 2012, section 352.91, subdivision 3d, is amended to read:

Subd. 3d. **Other correctional personnel.** (a) "Covered correctional service" means service by a state employee in one of the employment positions at a correctional facility or ~~at in the Minnesota Security Hospital~~ state-operated forensic services program specified in paragraph (b) if at least 75 percent of the employee's working time is spent in direct contact with inmates or patients and the fact of this direct contact is certified to the executive director by the appropriate commissioner.

(b) The employment positions are:

- (1) automotive mechanic;
- (2) baker;
- (3) central services administrative specialist, intermediate;
- (4) central services administrative specialist, principal;
- (5) chaplain;
- (6) chief cook;
- (7) clinical program therapist 1;
- (8) clinical program therapist 2;
- (9) clinical program therapist 3;
- (10) clinical program therapist 4;
- (11) cook;
- (12) cook coordinator;
- (13) corrections inmate program coordinator;
- (14) corrections transitions program coordinator;
- (15) corrections security caseworker;
- (16) corrections security caseworker career;
- (17) corrections teaching assistant;
- (18) delivery van driver;
- (19) dentist;
- (20) electrician supervisor;
- (21) general maintenance worker lead;
- (22) general repair worker;
- (23) library/information research services specialist;
- (24) library/information research services specialist senior;
- (25) library technician;

- (26) painter lead;
- (27) plant maintenance engineer lead;
- (28) plumber supervisor;
- (29) psychologist 1;
- (30) psychologist 3;
- (31) recreation therapist;
- (32) recreation therapist coordinator;
- (33) recreation program assistant;
- (34) recreation therapist senior;
- (35) sports medicine specialist;
- (36) work therapy assistant;
- (37) work therapy program coordinator; and
- (38) work therapy technician.

Sec. 6. Minnesota Statutes 2012, section 352.91, subdivision 3e, is amended to read:

Subd. 3e. **Minnesota Specialty Health System-Cambridge.** (a) "Covered correctional service" means service by a state employee in one of the employment positions with the Minnesota Specialty Health System-Cambridge specified in paragraph (b) if at least 75 percent of the employee's working time is spent in direct contact with patients who are in the Minnesota Specialty Health System-Cambridge and if service in such a position is certified to the executive director by the commissioner of human services.

(b) The employment positions are:

- (1) behavior analyst 1;
- (2) behavior analyst 2;
- (3) behavior analyst 3;
- (4) group supervisor;
- (5) group supervisor assistant;
- (6) human services support specialist;
- (7) residential program lead;
- (8) psychologist 2;

- (9) recreation program assistant;
- (10) recreation therapist senior;
- (11) registered nurse senior;
- (12) skills development specialist;
- (13) social worker senior;
- (14) social worker specialist; and
- (15) speech pathology specialist.

(c) A Department of Human Services employee who was employed at the Minnesota Specialty Health System-Cambridge immediately preceding the 2014 conversion to the community-based homes and was in covered correctional service at the time of the transition shall continue to be covered by the correctional employee retirement plan while employed and without a break in service with the Department of Human Services in the direct care and treatment services administration.

Sec. 7. Minnesota Statutes 2012, section 352.91, subdivision 3f, is amended to read:

Subd. 3f. **Additional Department of Human Services personnel.** (a) "Covered correctional service" means service by a state employee in one of the employment positions specified in paragraph (b) ~~at~~ in the ~~Minnesota Security Hospital state-operated forensic services program~~ or ~~in~~ the Minnesota sex offender program if at least 75 percent of the employee's working time is spent in direct contact with patients and the determination of this direct contact is certified to the executive director by the commissioner of human services.

(b) The employment positions are:

- (1) behavior analyst 2;
- (2) behavior analyst 3;
- (3) certified occupational therapy assistant 1;
- (4) certified occupational therapy assistant 2;
- (5) chemical dependency counselor senior;
- (6) client advocate;
- (7) clinical program therapist 2;
- ~~(7)~~ (8) clinical program therapist 3;
- ~~(8)~~ (9) clinical program therapist 4;
- ~~(9)~~ (10) customer services specialist principal;
- ~~(10)~~ (11) dental assistant registered;

- ~~(11)~~ (12) group supervisor;
- ~~(12)~~ (13) group supervisor assistant;
- ~~(13)~~ (14) human services support specialist;
- ~~(14)~~ (15) licensed alcohol and drug counselor;
- ~~(15)~~ (16) licensed practical nurse 1;
- ~~(16)~~ (17) management analyst 3;
- ~~(17)~~ (18) occupational therapist;
- ~~(18)~~ (19) occupational therapist, senior;
- ~~(19)~~ (20) psychologist 1;
- ~~(20)~~ (21) psychologist 2;
- ~~(21)~~ (22) psychologist 3;
- ~~(22)~~ (23) recreation program assistant;
- ~~(23)~~ (24) recreation therapist lead;
- ~~(24)~~ (25) recreation therapist senior;
- ~~(25)~~ (26) rehabilitation counselor senior;
- ~~(26)~~ (27) security supervisor;
- ~~(27)~~ (28) skills development specialist;
- ~~(28)~~ (29) social worker senior;
- ~~(29)~~ (30) social worker specialist;
- ~~(30)~~ (31) social worker specialist, senior;
- ~~(31)~~ (32) special education program assistant;
- ~~(32)~~ (33) speech pathology clinician;
- ~~(33)~~ (34) work therapy assistant; and
- ~~(34)~~ (35) work therapy program coordinator.

Sec. 8. Minnesota Statutes 2012, section 352.91, is amended by adding a subdivision to read:

Subd. 3j. **State-operated forensic services program.** For purposes of this section, "state-operated forensic services program" means the Minnesota Security Hospital, the forensic nursing home, the forensic transition service, and the competency restoration program.

ARTICLE 6
TRA-DTRFA CONSOLIDATION

Section 1. Minnesota Statutes 2012, section 13.632, subdivision 1, is amended to read:

Subdivision 1. **Beneficiary and survivor data.** The following data on beneficiaries and survivors of the St. Paul Teachers Retirement Fund Association ~~and the Duluth Teachers Retirement Fund Association~~ members are private data on individuals: home address, date of birth, direct deposit number, and tax withholding data.

Sec. 2. Minnesota Statutes 2012, section 122A.18, subdivision 7a, is amended to read:

Subd. 7a. **Permission to substitute teach.** (a) The Board of Teaching may allow a person who is enrolled in and making satisfactory progress in a board-approved teacher program and who has successfully completed student teaching to be employed as a short-call substitute teacher.

(b) The Board of Teaching may issue a lifetime qualified short-call substitute teaching license to a person who:

(1) was a qualified teacher under section 122A.16 while holding a continuing five-year teaching license issued by the board, and receives a retirement annuity from the Teachers Retirement Association, ~~Minneapolis Teachers Retirement Fund Association, or the~~ St. Paul Teachers Retirement Fund Association, ~~or Duluth Teachers Retirement Fund Association;~~

(2) holds an out-of-state teaching license and receives a retirement annuity as a result of the person's teaching experience; or

(3) held a continuing five-year license issued by the board, taught at least three school years in an accredited nonpublic school in Minnesota, and receives a retirement annuity as a result of the person's teaching experience.

A person holding a lifetime qualified short-call substitute teaching license is not required to complete continuing education clock hours. A person holding this license may reapply to the board for a continuing five-year license and must again complete continuing education clock hours one school year after receiving the continuing five-year license.

Sec. 3. Minnesota Statutes 2013 Supplement, section 353.01, subdivision 2b, is amended to read:

Subd. 2b. **Excluded employees.** (a) The following public employees are not eligible to participate as members of the association with retirement coverage by the general employees retirement plan, the local government correctional employees retirement plan under chapter 353E, or the public employees police and fire retirement plan:

(1) persons whose salary from one governmental subdivision never exceeds \$425 in a month;

(2) public officers who are elected to a governing body, city mayors, or persons who are appointed to fill a vacancy in an elective office of a governing body, whose term of office commences on or after July 1, 2002, for the service to be rendered in that elective position;

- (3) election officers or election judges;
- (4) patient and inmate personnel who perform services for a governmental subdivision;
- (5) except as otherwise specified in subdivision 12a, employees who are hired for a temporary position as defined under subdivision 12a, and employees who resign from a nontemporary position and accept a temporary position within 30 days in the same governmental subdivision;
- (6) employees who are employed by reason of work emergency caused by fire, flood, storm, or similar disaster;
- (7) employees who by virtue of their employment in one governmental subdivision are required by law to be a member of and to contribute to any of the plans or funds administered by the Minnesota State Retirement System, the Teachers Retirement Association, ~~the Duluth Teachers Retirement Fund Association~~, and the St. Paul Teachers Retirement Fund Association. This clause must not be construed to prevent a person from being a member of and contributing to the Public Employees Retirement Association and also belonging to and contributing to another public pension plan or fund for other service occurring during the same period of time. A person who meets the definition of "public employee" in subdivision 2 by virtue of other service occurring during the same period of time becomes a member of the association unless contributions are made to another public retirement fund on the salary based on the other service or to the Teachers Retirement Association by a teacher as defined in section 354.05, subdivision 2;
- (8) persons who are members of a religious order and are excluded from coverage under the federal Old Age, Survivors, Disability, and Health Insurance Program for the performance of service as specified in United States Code, title 42, section 410(a)(8)(A), as amended through January 1, 1987, if no irrevocable election of coverage has been made under section 3121(r) of the Internal Revenue Code of 1954, as amended;
- (9) employees of a governmental subdivision who have not reached the age of 23 and are enrolled on a full-time basis to attend or are attending classes on a full-time basis at an accredited school, college, or university in an undergraduate, graduate, or professional-technical program, or a public or charter high school;
- (10) resident physicians, medical interns, and pharmacist residents and pharmacist interns who are serving in a degree or residency program in public hospitals or clinics;
- (11) students who are serving for up to five years in an internship or residency program sponsored by a governmental subdivision, including an accredited educational institution;
- (12) persons who hold a part-time adult supplementary technical college license who render part-time teaching service in a technical college;
- (13) except for employees of Hennepin County or Hennepin Healthcare System, Inc., foreign citizens who are employed by a governmental subdivision under a work permit, or an H-1b visa initially issued or extended for a combined period less than three years of employment. Upon extension of the employment beyond the three-year period, the foreign citizens must be reported for membership beginning the first of the month thereafter provided the monthly earnings threshold as provided under subdivision 2a is met;
- (14) public hospital employees who elected not to participate as members of the association before 1972 and who did not elect to participate from July 1, 1988, to October 1, 1988;
- (15) except as provided in section 353.86, volunteer ambulance service personnel, as defined in subdivision 35, but persons who serve as volunteer ambulance service personnel may still qualify as public employees under subdivision 2 and may be members of the Public Employees Retirement Association and participants in the general

employees retirement plan or the public employees police and fire plan, whichever applies, on the basis of compensation received from public employment service other than service as volunteer ambulance service personnel;

(16) except as provided in section 353.87, volunteer firefighters, as defined in subdivision 36, engaging in activities undertaken as part of volunteer firefighter duties, but a person who is a volunteer firefighter may still qualify as a public employee under subdivision 2 and may be a member of the Public Employees Retirement Association and a participant in the general employees retirement plan or the public employees police and fire plan, whichever applies, on the basis of compensation received from public employment activities other than those as a volunteer firefighter;

(17) pipefitters and associated trades personnel employed by Independent School District No. 625, St. Paul, with coverage under a collective bargaining agreement by the pipefitters local 455 pension plan who were either first employed after May 1, 1997, or, if first employed before May 2, 1997, elected to be excluded under Laws 1997, chapter 241, article 2, section 12;

(18) electrical workers, plumbers, carpenters, and associated trades personnel who are employed by Independent School District No. 625, St. Paul, or the city of St. Paul, who have retirement coverage under a collective bargaining agreement by the Electrical Workers Local 110 pension plan, the United Association Plumbers Local 34 pension plan, or the pension plan applicable to Carpenters Local 87 who were either first employed after May 1, 2000, or, if first employed before May 2, 2000, elected to be excluded under Laws 2000, chapter 461, article 7, section 5;

(19) bricklayers, allied craftworkers, cement masons, glaziers, glassworkers, painters, allied tradesworkers, and plasterers who are employed by the city of St. Paul or Independent School District No. 625, St. Paul, with coverage under a collective bargaining agreement by the Bricklayers and Allied Craftworkers Local 1 pension plan, the Cement Masons Local 633 pension plan, the Glaziers and Glassworkers Local L-1324 pension plan, the Painters and Allied Trades Local 61 pension plan, or the Twin Cities Plasterers Local 265 pension plan who were either first employed after May 1, 2001, or if first employed before May 2, 2001, elected to be excluded under Laws 2001, First Special Session chapter 10, article 10, section 6;

(20) plumbers who are employed by the Metropolitan Airports Commission, with coverage under a collective bargaining agreement by the Plumbers Local 34 pension plan, who either were first employed after May 1, 2001, or if first employed before May 2, 2001, elected to be excluded under Laws 2001, First Special Session chapter 10, article 10, section 6;

(21) employees who are hired after June 30, 2002, to fill seasonal positions under subdivision 12b which are limited in duration by the employer to 185 consecutive calendar days or less in each year of employment with the governmental subdivision;

(22) persons who are provided supported employment or work-study positions by a governmental subdivision and who participate in an employment or industries program maintained for the benefit of these persons where the governmental subdivision limits the position's duration to up to five years, including persons participating in a federal or state subsidized on-the-job training, work experience, senior citizen, youth, or unemployment relief program where the training or work experience is not provided as a part of, or for, future permanent public employment;

(23) independent contractors and the employees of independent contractors;

(24) reemployed annuitants of the association during the course of that reemployment; and

(25) persons appointed to serve on a board or commission of a governmental subdivision or an instrumentality thereof.

(b) Any person performing the duties of a public officer in a position defined in subdivision 2a, paragraph (a), clause (3), is not an independent contractor and is not an employee of an independent contractor.

Sec. 4. Minnesota Statutes 2012, section 354.05, subdivision 2, is amended to read:

Subd. 2. **Teacher.** (a) "Teacher" means:

(1) a person who renders service as a teacher, supervisor, principal, superintendent, librarian, nurse, counselor, social worker, therapist, or psychologist in a public school of the state located outside of the corporate limits of ~~the city of Duluth or~~ the city of St. Paul, or in any charter school, irrespective of the location of the school, or in any charitable, penal, or correctional institutions of a governmental subdivision, or who is engaged in educational administration in connection with the state public school system, but excluding the University of Minnesota, whether the position be a public office or an employment, and not including the members or officers of any general governing or managing board or body;

(2) an employee of the Teachers Retirement Association;

(3) a person who renders teaching service on a part-time basis and who also renders other services for a single employing unit. A person whose teaching service comprises at least 50 percent of the combined employment salary is a member of the association for all services with the single employing unit. If the person's teaching service comprises less than 50 percent of the combined employment salary, the executive director must determine whether all or none of the combined service is covered by the association; or

(4) a person who is not covered by the plans established under chapter 352D, 354A, or 354B and who is employed by the Board of Trustees of the Minnesota State Colleges and Universities system in an unclassified position as:

(i) a president, vice-president, or dean;

(ii) a manager or a professional in an academic or an academic support program other than specified in item (i);

(iii) an administrative or a service support faculty position; or

(iv) a teacher or a research assistant.

(b) "Teacher" does not mean:

(1) a person who works for a school or institution as an independent contractor as defined by the Internal Revenue Service;

(2) a person who renders part-time teaching service or who is a customized trainer as defined by the Minnesota State Colleges and Universities system if (i) the service is incidental to the regular nonteaching occupation of the person; and (ii) the employer stipulates annually in advance that the part-time teaching service or customized training service will not exceed 300 hours in a fiscal year and retains the stipulation in its records; and (iii) the part-time teaching service or customized training service actually does not exceed 300 hours in a fiscal year; or

(3) a person exempt from licensure under section 122A.30.

Sec. 5. Minnesota Statutes 2012, section 354.05, subdivision 13, is amended to read:

Subd. 13. **Allowable service.** "Allowable service" means:

(1) any service rendered by a teacher for which on or before July 1, 1957, the teacher's account in the retirement fund was credited by reason of employee contributions in the form of salary deductions, payments in lieu of salary deductions, or in any other manner authorized by Minnesota Statutes 1953, sections 135.01 to 135.13, as amended by Laws 1955, chapters 361, 549, 550, 611, ~~or~~;

(2) any service rendered by a teacher for which on or before July 1, 1961, the teacher elected to obtain credit for service by making payments to the fund ~~pursuant to~~ under Minnesota Statutes 1980, section 354.09 and section 354.51, ~~or~~;

(3) any service rendered by a teacher after July 1, 1957, for any calendar month when the member receives salary from which deductions are made, deposited and credited in the fund, ~~or~~;

(4) any service rendered by a person after July 1, 1957, for any calendar month where payments in lieu of salary deductions are made, deposited and credited into the fund as provided in Minnesota Statutes 1980, section 354.09, subdivision 4, and section 354.53, ~~or~~;

(5) any service rendered by a teacher for which the teacher elected to obtain credit for service by making payments to the fund ~~pursuant to~~ under Minnesota Statutes 1980, section 354.09, subdivisions 1 and 4, sections 354.50, 354.51, Minnesota Statutes 1957, section 135.41, subdivision 4, Minnesota Statutes 1971, section 354.09, subdivision 2, or Minnesota Statutes, 1973 Supplement, section 354.09, subdivision 3, ~~or~~;

(6) both service during years of actual membership in the course of which contributions were currently made and service in years during which the teacher was not a member but for which the teacher later elected to obtain credit by making payments to the fund as permitted by any law then in effect, ~~or~~;

(7) any service rendered where contributions were made and no credit was established because of the limitations contained in Minnesota Statutes 1957, section 135.09, subdivision 2, as determined by the ratio between the amounts of money credited to the teacher's account in a fiscal year and the maximum retirement contribution allowable for that year, ~~or~~;

(8) MS 2002 [Expired]

(9) a period of time during which a teacher was on strike without pay, not to exceed a period of one year, if payment in lieu of salary deductions is made under section 354.72, ~~or~~;

(10) a period of service before July 1, 2006, that was properly credited as allowable service by the Minneapolis Teachers Retirement Fund Association, and that was rendered by a teacher as an employee of Special School District No. 1, Minneapolis, or by an employee of the Minneapolis Teachers Retirement Fund Association who was a member of the Minneapolis Teachers Retirement Fund Association by virtue of that employment, who has not begun receiving an annuity or other retirement benefit from the former Minneapolis Teachers Retirement Fund Association calculated in whole or in part on that service before July 1, 2006, and who has not taken a refund of member contributions related to that service unless the refund is repaid under section 354.50, subdivision 4. Service as an employee of Special School District No. 1, Minneapolis, on or after July 1, 2006, is "allowable service" only as provided by this chapter; ~~or~~

(11) a period of service before July 1, 2015, that was properly credited as allowable service by the Duluth Teachers Retirement Fund Association, and that was rendered by a teacher as an employee of Independent School District No. 709, Duluth, or by an employee of the Duluth Teachers Retirement Fund Association who was a

member of the Duluth Teachers Retirement Fund Association by virtue of that employment, who has not begun receiving an annuity or other retirement benefit from the former Duluth Teachers Retirement Fund Association calculated in whole or in part on that service before July 1, 2015, and who has not taken a refund of member contributions related to that service unless the refund is repaid under section 354.50, subdivision 4. Service as an employee of Independent School District No. 709, Duluth, on or after July 1, 2015, is "allowable service" only as provided by this chapter.

Sec. 6. Minnesota Statutes 2012, section 354.42, subdivision 2, is amended to read:

Subd. 2. **Employee contribution.** (a) ~~For a basic member,~~ The employee contribution to the fund is the following percentage of the member's salary:

<u>Period</u>	<u>Basic Program</u>	<u>Coordinated Program</u>
before July 1, 2011	9.0 percent	
from July 1, 2011, until June 30, 2012	9.5 percent	
from July 1, 2012, until June 30, 2013	10.0 percent	
from July 1, 2013, until June 30, 2014	10.5 percent	7.0 percent
after June 30, 2014	11.0 percent	7.5 percent

(b) ~~For a coordinated member, the employee contribution is the following percentage of the member's salary:~~

before July 1, 2011	5.5 percent
from July 1, 2011, until June 30, 2012	6.0 percent
from July 1, 2012, until June 30, 2013	6.5 percent
from July 1, 2013, until June 30, 2014	7.0 percent
after June 30, 2014	7.5 percent

(e) (b) When an employee contribution rate changes for a fiscal year, the new contribution rate is effective for the entire salary paid for each employer unit with the first payroll cycle reported.

(d) (c) After June 30, 2015, if a contribution rate revision is required under subdivisions 4a, 4b, and 4c, the employee contributions under paragraphs (a) and (b) must be adjusted accordingly.

(e) (d) This contribution must be made by deduction from salary. Where any portion of a member's salary is paid from other than public funds, the member's employee contribution must be based on the entire salary received.

Sec. 7. Minnesota Statutes 2012, section 354.42, subdivision 3, is amended to read:

Subd. 3. **Employer.** (a) The regular employer contribution to the fund by Special School District No. 1, Minneapolis, is an amount equal to the applicable following percentage of salary of each coordinated member and the applicable following percentage of salary of each basic member: specified in paragraph (c).

<u>Period</u>	<u>Coordinated Member</u>	<u>Basic Member</u>
before July 1, 2011	5.5 percent	9.5 percent
from July 1, 2011, until June 30, 2012	6.0 percent	10.0 percent
from July 1, 2012, until June 30, 2013	6.5 percent	10.5 percent
from July 1, 2013, until June 30, 2014	7.0 percent	11.0 percent
after June 30, 2014	7.5 percent	11.5 percent

The additional employer contribution to the fund by Special School District No. 1, Minneapolis, is an amount equal to 3.64 percent of the salary of each teacher who is a coordinated member or who is a basic member.

(b) The regular employer contribution to the fund by Independent School District No. 709, Duluth, is an amount equal to the applicable percentage of salary of each old law or new law coordinated member specified for the coordinated program in paragraph (c).

~~(b)~~ (c) The employer contribution to the fund for every other employer is an amount equal to the applicable following percentage of the salary of each coordinated member and the applicable following percentage of the salary of each basic member:

Period	Coordinated Member	Basic Member
before July 1, 2011	5.5 percent	9.5 percent
from July 1, 2011, until June 30, 2012	6.0 percent	10.0 percent
from July 1, 2012, until June 30, 2013	6.5 percent	10.5 percent
from July 1, 2013, until June 30, 2014	7.0 percent	11.0 percent
after June 30, 2014	7.5 percent	11.5 percent

~~(c)~~ (d) When an employer contribution rate changes for a fiscal year, the new contribution rate is effective for the entire salary paid for each employer unit with the first payroll cycle reported.

~~(d)~~ (e) After June 30, 2015, if a contribution rate revision is made under subdivisions 4a, 4b, and 4c, the employer contributions under paragraphs (a) ~~and~~, (b), and (c) must be adjusted accordingly.

Sec. 8. Minnesota Statutes 2013 Supplement, section 354.436, is amended to read:

354.436 DIRECT STATE AID ON BEHALF OF THE FORMER MINNEAPOLIS FIRST CLASS CITY TEACHERS RETIREMENT FUND ASSOCIATION ASSOCIATIONS.

Subdivision 1. **Aid authorization.** The state shall pay \$12,954,000 to the Teachers Retirement Association on behalf of the former Minneapolis Teachers Retirement Fund Association and shall pay \$15,346,000 during fiscal year 2015 to the Teachers Retirement Association for the credit of the Duluth Teachers Retirement Fund Association and, after fiscal year 2015, shall pay \$15,346,000 on behalf of the Duluth Teachers Retirement Fund Association.

Subd. 2. **Aid appropriation.** The commissioner of management and budget shall pay the aid amounts under subdivision 1 annually on October 1. The amount required is appropriated annually from the general fund to the commissioner of management and budget.

Subd. 3. **Aid expiration.** The aid amounts specified in this section ~~terminates~~ terminate and this section expires on the October 1 next following the later of the following dates: (1) when the current assets of the Teachers Retirement Association fund equal or exceed the actuarial accrued liabilities of the fund as determined in the most recent actuarial valuation report for the Teachers Retirement Association fund by the actuary retained under section 356.214, or on the established date for full funding under section 356.215, subdivision 11, whichever occurs earlier; or (2) when the member and employer contribution rates are first determined to be eligible for a reduction under section 354.42, subdivisions 4a, 4b, 4c, and 4d.

Sec. 9. Minnesota Statutes 2013 Supplement, section 354.44, subdivision 6, is amended to read:

Subd. 6. **Computation of formula program retirement annuity.** (a) The formula retirement annuity must be computed in accordance with the applicable provisions of the formulas stated in paragraph (b) or (d) on the basis of each member's average salary under section 354.05, subdivision 13a, for the period of the member's formula service credit.

(b) This paragraph, in conjunction with paragraph (c), applies to a person who first became a member of the association or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, unless paragraph (d), in conjunction with paragraph (e), produces a higher annuity amount, in which case paragraph (d) applies. The average salary as defined in section 354.05, subdivision 13a, multiplied by the following percentages per year of formula service credit shall determine the amount of the annuity to which the member qualifying therefor is entitled for service rendered before July 1, 2006:

<u>Period</u>	Coordinated Member	Basic Member
Each year of service during first ten	1.2 percent per year	2.2 percent per year
Each year of service thereafter	1.7 percent per year	2.7 percent per year

For service rendered on or after July 1, 2006, by a member other than a member who was a member of the former Duluth Teachers Retirement Fund Association between January 1, 2006, and June 30, 2015, and for service rendered on or after July 1, 2013, by a member who was a member of the former Duluth Teachers Retirement Fund Association between January 1, 2013, and June 30, 2015, the average salary as defined in section 354.05, subdivision 13a, multiplied by the following percentages per year of service credit, determines the amount the annuity to which the member qualifying therefor is entitled:

<u>Period</u>	Coordinated Member	Basic Member
Each year of service during first ten	1.4 percent per year	2.2 percent per year
Each year of service after ten years of service	1.9 percent per year	2.7 percent per year

(c)(i) This paragraph applies only to a person who first became a member of the association or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, and whose annuity is higher when calculated under paragraph (b), in conjunction with this paragraph than when calculated under paragraph (d), in conjunction with paragraph (e).

(ii) Where any member retires prior to normal retirement age under a formula annuity, the member shall be paid a retirement annuity in an amount equal to the normal annuity provided in paragraph (b) reduced by one-quarter of one percent for each month that the member is under normal retirement age at the time of retirement except that for any member who has 30 or more years of allowable service credit, the reduction shall be applied only for each month that the member is under age 62.

(iii) Any member whose attained age plus credited allowable service totals 90 years is entitled, upon application, to a retirement annuity in an amount equal to the normal annuity provided in paragraph (b), without any reduction by reason of early retirement.

(d) This paragraph applies to a member who has become at least 55 years old and first became a member of the association after June 30, 1989, and to any other member who has become at least 55 years old and whose annuity amount when calculated under this paragraph and in conjunction with paragraph (e), is higher than it is when calculated under paragraph (b), in conjunction with paragraph (c). For a basic member, the average salary, as defined in section 354.05, subdivision 13a, multiplied by 2.7 percent for each year of service for a basic member determines the amount of the retirement annuity to which the basic member is entitled. The annuity of a basic

member who was a member of the former Minneapolis Teachers Retirement Fund Association as of June 30, 2006, must be determined according to the annuity formula under the articles of incorporation of the former Minneapolis Teachers Retirement Fund Association in effect as of that date. For a coordinated member, the average salary, as defined in section 354.05, subdivision 13a, multiplied by 1.7 percent for each year of service rendered before July 1, 2006, and by 1.9 percent for each year of service rendered on or after July 1, 2006, for a member other than a member who was a member of the former Duluth Teachers Retirement Fund Association between January 1, 2006, and June 30, 2015, and by 1.9 percent for each year of service rendered on or after July 1, 2013, for a member of the former Duluth Teachers Retirement Fund Association between January 1, 2013, and June 30, 2015, determines the amount of the retirement annuity to which the coordinated member is entitled.

(e) This paragraph applies to a person who has become at least 55 years old and first becomes a member of the association after June 30, 1989, and to any other member who has become at least 55 years old and whose annuity is higher when calculated under paragraph (d) in conjunction with this paragraph than when calculated under paragraph (b), in conjunction with paragraph (c). An employee who retires under the formula annuity before the normal retirement age shall be paid the normal annuity provided in paragraph (d) reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the employee if the employee deferred receipt of the annuity and the annuity amount were augmented at an annual rate of three percent compounded annually from the day the annuity begins to accrue until the normal retirement age if the employee became an employee before July 1, 2006, and at 2.5 percent compounded annually if the employee becomes an employee after June 30, 2006. Except in regards to section 354.46, this paragraph remains in effect until June 30, 2015.

(f) After June 30, 2020, this paragraph applies to a person who has become at least 55 years old and first becomes a member of the association after June 30, 1989, and to any other member who has become at least 55 years old and whose annuity is higher when calculated under paragraph (d) in conjunction with this paragraph than when calculated under paragraph (b) in conjunction with paragraph (c). An employee who retires under the formula annuity before the normal retirement age is entitled to receive the normal annuity provided in paragraph (d). For a person who is at least age 62 or older and has at least 30 years of service, the annuity must be reduced by an early reduction factor of six percent per year of the annuity that would be payable to the employee if the employee deferred receipt of the annuity and the annuity amount were augmented at an annual rate of three percent compounded annually from the day the annuity begins to accrue until the normal retirement age if the employee became an employee before July 1, 2006, and at 2.5 percent compounded annually if the employee became an employee after June 30, 2006. For a person who is not at least age 62 or older and does not have at least 30 years of service, the annuity would be reduced by an early reduction factor of four percent per year for ages 55 through 59 and seven percent per year of the annuity that would be payable to the employee if the employee deferred receipt of the annuity and the annuity amount were augmented at an annual rate of three percent compounded annually from the day the annuity begins to accrue until the normal retirement age if the employee became an employee before July 1, 2006, and at 2.5 percent compounded annually if the employee became an employee after June 30, 2006.

(g) After June 30, 2015, and before July 1, 2020, for a person who would have a reduced retirement annuity under either paragraph (e) or (f) if they were applicable, the employee is entitled to receive a reduced annuity which must be calculated using a blended reduction factor augmented monthly by 1/60 of the difference between the reduction required under paragraph (e) and the reduction required under paragraph (f).

(h) No retirement annuity is payable to a former employee with a salary that exceeds 95 percent of the governor's salary unless and until the salary figures used in computing the highest five successive years average salary under paragraph (a) have been audited by the Teachers Retirement Association and determined by the executive director to comply with the requirements and limitations of section 354.05, subdivisions 35 and 35a.

Sec. 10. **[354.73] RETIREMENT COVERAGE RELATED TO THE FORMER DULUTH TEACHERS RETIREMENT FUND ASSOCIATION.**

Subdivision 1. **Application.** This section applies to the retirement coverage of members of the former Duluth Teachers Retirement Fund Association transferred to the Teachers Retirement Association by section 46.

Subd. 2. **Teachers Retirement Association as successor in interest.** The Teachers Retirement Association is the successor in interest to all claims which the former Duluth Teachers Retirement Fund Association may have or may have been able to assert against any person on June 30, 2015, and is the successor in interest to all claims which could have been asserted against the former Duluth Teachers Retirement Fund Association, subject to the following:

(1) the Teachers Retirement Association is not liable for any claim against the Duluth Teachers Retirement Fund Association, its former board or board members, which is founded upon a claim of breach of fiduciary duty, where the act or acts constituting the claimed breach were not done in good faith;

(2) the Teachers Retirement Association may assert any applicable defense to any claim in any judicial or administrative proceeding that the former Duluth Teachers Retirement Fund Association or its board would otherwise have been entitled to assert;

(3) the Teachers Retirement Association may assert any applicable defense that it may assert in its capacity as a statewide agency; and

(4) the Teachers Retirement Association shall indemnify any former fiduciary of the Duluth Teachers Retirement Fund Association consistent with section 356A.11.

Subd. 3. **Benefit calculation.** (a) For every deferred, inactive, disabled, and retired member of the Duluth Teachers Retirement Fund Association transferred under subdivision 1, and the survivors of these members, annuities or benefits earned before July 1, 2015, other than future postretirement adjustments, must be calculated and paid by the Teachers Retirement Association under the laws, articles of incorporation, and bylaws of the former Duluth Teachers Retirement Fund Association that were in effect relative to the person on the date of the person's termination of active service covered by the former Duluth Teachers Retirement Fund Association.

(b) Former Duluth Teachers Retirement Fund Association members who retired before July 1, 2015, must receive postretirement adjustments after January 1, 2015, only as provided in section 356.415. All other benefit recipients of the former Duluth Teachers Retirement Fund Association must receive postretirement adjustments after December 31, 2015, only as provided in section 356.415.

(c) This consolidation does not impair or diminish benefits for an active, deferred, or retired member or a survivor of an active, deferred, or retired member under the former Duluth Teachers Retirement Fund Association in existence at the time of the consolidation, except that any future postretirement adjustments must be paid after July 1, 2015, in accordance with paragraph (b), and all benefits based on service on or after July 1, 2015, must be determined only by laws governing the Teachers Retirement Association.

Sec. 11. Minnesota Statutes 2012, section 354A.011, subdivision 11, is amended to read:

Subd. 11. **Coordinated member.** "Coordinated member" means any member of the teachers retirement fund association who is covered by any agreement or modification made between the state and the Secretary of Health, Education and Welfare making the provisions of the federal Old Age, Survivors and Disability Insurance Act applicable to certain teachers ~~except in the case of a member of the Duluth Teachers Retirement Fund Association, in which it means additionally that the member either first became a member prior to July 1, 1981, and elected to be covered by the new law coordinated program of the Duluth Teachers Retirement Fund Association or first became a member on or subsequent to July 1, 1981.~~

Sec. 12. Minnesota Statutes 2012, section 354A.011, subdivision 15a, is amended to read:

Subd. 15a. **Normal retirement age.** "Normal retirement age" means age 65 for a person who first became a member of the coordinated program of the St. Paul Teachers Retirement Fund Association ~~or the new law coordinated program of the Duluth Teachers Retirement Fund Association~~ or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989. For a person who first became a member of the coordinated program of the St. Paul Teachers Retirement Fund Association ~~or the new law coordinated program of the Duluth Teachers Retirement Fund Association~~ after June 30, 1989, normal retirement age means the higher of age 65 or retirement age, as defined in United States Code, title 42, section 416(l), as amended, but not to exceed age 66. For a person who is a member of the basic program of the St. Paul Teachers Retirement Fund Association ~~or the old law coordinated program of the Duluth Teachers Retirement Fund Association~~, normal retirement age means the age at which a teacher becomes eligible for a normal retirement annuity computed upon meeting the age and service requirements specified in the applicable provisions of the articles of incorporation or bylaws of the ~~respective~~ teachers retirement fund association.

Sec. 13. Minnesota Statutes 2012, section 354A.011, subdivision 27, is amended to read:

Subd. 27. **Teacher.** (a) "Teacher" means any person who renders service for a public school district, other than a charter school, located in the corporate limits of ~~Duluth or~~ St. Paul, as any of the following:

(1) a full-time employee in a position for which a valid license from the state Department of Education is required;

(2) an employee of the teachers retirement fund association located in the city of ~~the first class~~ St. Paul;

(3) a part-time employee in a position for which a valid license from the state Department of Education is required; or

(4) a part-time employee in a position for which a valid license from the state Department of Education is required who also renders other nonteaching services for the school district, unless the board of trustees of the teachers retirement fund association determines that the combined employment is on the whole so substantially dissimilar to teaching service that the service may not be covered by the association.

(b) The term does not mean any person who renders service in the school district as any of the following:

(1) an independent contractor or the employee of an independent contractor;

(2) an employee who is a full-time teacher covered by the Teachers Retirement Association ~~or by another teachers retirement fund association established pursuant to this chapter or under~~ chapter 354;

(3) an employee who is exempt from licensure pursuant to section 122A.30;

(4) an employee who is a teacher in a technical college located in a city of the first class unless the person elects coverage by the ~~applicable~~ first class city teacher retirement fund association under section 354B.21, subdivision 2;

(5) a teacher employed by a charter school, irrespective of the location of the school; or

(6) an employee who is a part-time teacher in a technical college in a ~~the city of the first class~~ St. Paul and who has elected coverage by the ~~applicable~~ first class city teacher retirement fund association under section 354B.21, subdivision 2, but (i) the teaching service is incidental to the regular nonteaching occupation of the person; (ii) the applicable technical college stipulates annually in advance that the part-time teaching service will not exceed 300 hours in a fiscal year; and (iii) the part-time teaching actually does not exceed 300 hours in the fiscal year to which the certification applies.

Sec. 14. Minnesota Statutes 2012, section 354A.021, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** There is established a teachers retirement fund association in ~~each of the cities~~ city of Duluth and St. Paul. The ~~associations shall be~~ association is known ~~respectively~~ as the "~~Duluth Teachers Retirement Fund Association~~" and the "St. Paul Teachers Retirement Fund Association." ~~Each~~ The association ~~shall be~~ is a continuation of the teachers retirement fund association with the same corporate name established ~~pursuant to~~ under the authorization contained in Laws 1909, chapter 343, section 1.

Sec. 15. **[354A.022] AUTHORIZATION TO CERTIFY FUNDS TO STATE BOARD OF INVESTMENT.**

Subdivision 1. **Certification of funds to State Board of Investment.** The chief administrative officer of the Duluth Teachers Retirement Fund Association, from time to time, may certify to the State Board of Investment those portions of the assets of the retirement plan that are not needed for administrative expenses or benefit payments. Assets certified to the State Board of Investment must be invested under sections 11A.14 and 11A.23. The chief administrative officer of the Duluth Teachers Retirement Fund Association may certify assets for withdrawal from the State Board of Investment only to make benefit payments or to pay administrative expenses or investment expenses of existing direct real estate holdings or assets that are noncompliant with State Board of Investment objectives or limitations.

Subd. 2. **Investment of certified funds.** Assets certified to the State Board of Investment are deemed to be from a covered retirement fund required to be invested by the State Board of Investment under section 11A.23.

Subd. 3. **Expiration.** This section expires June 30, 2015, if the consolidation provisions receive the local approvals in section 49 and all other requirements of section 49 are met.

Sec. 16. Minnesota Statutes 2012, section 354A.092, is amended to read:

354A.092 SABBATICAL LEAVE.

Any teacher in the coordinated program of the St. Paul Teachers Retirement Fund Association ~~or any teacher in the new law coordinated program of the Duluth Teachers Retirement Fund Association~~ who is granted a sabbatical leave ~~shall be~~ is entitled to receive allowable service credit in the ~~applicable~~ association for periods of sabbatical leave. To obtain the service credit, the teacher on sabbatical leave shall make an employee contribution to the ~~applicable~~ association. No teacher ~~shall be~~ is entitled to receive more than three years of allowable service credit ~~pursuant to~~ under this section for a period or periods of sabbatical leave during any ten consecutive ~~fiscal or calendar~~ years, ~~whichever is the applicable plan year for the teachers retirement fund association.~~ If the teacher granted a sabbatical leave makes the employee contribution for a period of sabbatical leave ~~pursuant to~~ under this section, the employing unit shall make an employer contribution on behalf of the teacher to the ~~applicable~~ association for that period of sabbatical leave in the manner described in section 354A.12, subdivision 2a. The employee and employer contributions ~~shall~~ must be in an amount equal to the employee and employer contribution rates in effect for other active members of the association covered by the same program applied to a salary figure equal to the teacher's actual covered salary for the plan year immediately preceding the sabbatical leave period. Payment of the employee contribution authorized ~~pursuant to~~ under this section ~~shall~~ must be made by the teacher on or before June 30 of year next following the year in which the sabbatical leave terminated and ~~shall~~ must be made without interest. For sabbatical leaves taken after June 30, 1986, the required employer contributions ~~shall~~ must be paid by the employing unit within 30 days after notification by the association of the amount due. If the employee contributions for the sabbatical leave period are less than an amount equal to the applicable contribution rate applied to a salary figure equal to the teacher's actual covered salary for the plan year immediately preceding the sabbatical leave period, service credit ~~shall~~ must be prorated. The prorated service credit ~~shall~~ must be determined by the ratio between the amount of the actual payment which was made and the full contribution amount payable ~~pursuant to~~ under this section.

Sec. 17. Minnesota Statutes 2012, section 354A.093, subdivision 1, is amended to read:

Subdivision 1. **Eligibility.** Any teacher in the coordinated program of the St. Paul Teachers Retirement Fund Association ~~or any teacher in the new law coordinated program of the Duluth Teachers Retirement Fund Association~~ who is absent from employment by reason of service in the uniformed services as defined in United States Code, title 38, section 4303(13) and who returns to the employer providing active teaching service upon discharge from uniformed service within the time frames required under United States Code, title 38, section 4312(e), may receive allowable service credit in the ~~applicable~~ association for all or a portion of the period of uniformed service, provided that the teacher did not separate from uniformed service with a dishonorable or bad conduct discharge or under other than honorable conditions.

Sec. 18. Minnesota Statutes 2012, section 354A.096, is amended to read:

354A.096 MEDICAL LEAVE.

Any teacher in the coordinated program of the St. Paul Teachers Retirement Fund Association ~~or the new law coordinated program of the Duluth Teachers Retirement Fund Association~~ who is on an authorized medical leave of absence and subsequently returns to teaching service is entitled to receive allowable service credit, not to exceed one year, for the period of leave, upon making the prescribed payment to the fund. This payment must include the required employee and employer contributions at the rates specified in section 354A.12, subdivisions 1 and 2a, as applied to the member's average full-time monthly salary rate on the date the leave of absence commenced plus annual interest at the rate of 8.5 percent per year from the end of the fiscal year during which the leave terminates to the end of the month during which payment is made. The member must pay the total amount required unless the employing unit, at its option, pays the employer contributions. The total amount required must be paid by the end of the fiscal year following the fiscal year in which the leave of absence terminated or before the member retires, whichever is earlier. Payment must be accompanied by a copy of the resolution or action of the employing authority granting the leave and the employing authority, upon granting the leave, must certify the leave to the association in a manner specified by the executive director. A member may not receive more than one year of allowable service credit during any fiscal year by making payment under this section. A member may not receive disability benefits under section 354A.36 and receive allowable service credit under this section for the same period of time.

Sec. 19. Minnesota Statutes 2013 Supplement, section 354A.12, subdivision 1, is amended to read:

Subdivision 1. **Employee contributions.** (a) The contribution required to be paid by each member of ~~a~~ the St. Paul Teachers Retirement Fund Association is the percentage of total salary specified below for the applicable association and program:

Association and Program	Percentage of Total Salary
Duluth Teachers Retirement Fund Association	
old law and new law	
coordinated programs	
before July 1, 2013	6.5 percent
effective July 1, 2013	7.0 percent
effective July 1, 2014	7.5 percent
St. Paul Teachers Retirement Fund Association	
basic program after June 30, 2012	8.5 percent
basic program after June 30, 2013	8.75 percent

basic program after June 30, 2014	9.0 percent
basic program after June 30, 2015	9.5 percent
basic program after June 30, 2016	10.0 percent
coordinated program after June 30, 2012	6.0 percent
coordinated program after June 30, 2013	6.25 percent
coordinated program after June 30, 2014	6.5 percent
coordinated program after June 30, 2015	7.0 percent
coordinated program after June 30, 2016	7.5 percent

(b) Contributions ~~shall~~ must be made by deduction from salary and must be remitted directly to the ~~respective~~ St. Paul Teachers Retirement Fund Association at least once each month.

(c) When an employee contribution rate changes for a fiscal year, the new contribution rate is effective for the entire salary paid by the employer with the first payroll cycle reported.

Sec. 20. Minnesota Statutes 2012, section 354A.12, subdivision 2, is amended to read:

Subd. 2. **Retirement contribution levy disallowed.** Except as provided in section 423A.02, subdivision 3, with respect to Independent School District No. 625, notwithstanding any law to the contrary, levies for the St. Paul Teachers Retirement Fund Association, including levies for any employer Social Security taxes for teachers covered by the ~~Duluth Teachers Retirement Fund Association or the St. Paul Teachers Retirement Fund Association~~, are disallowed.

Sec. 21. Minnesota Statutes 2013 Supplement, section 354A.12, subdivision 2a, is amended to read:

Subd. 2a. **Employer regular and additional contributions.** (a) The employing units shall make the following employer contributions to the teachers retirement fund association:

(1) for any coordinated member of ~~one of the following~~ St. Paul Teachers Retirement Fund Association in a city of the first class Association, the employing unit shall make a regular employer contribution to the ~~respective~~ retirement fund association in an amount equal to the designated percentage of the salary of the coordinated member as provided below:

~~Duluth Teachers Retirement Fund Association~~

before July 1, 2013	6.79 percent
effective July 1, 2013	7.29 percent
effective July 1, 2014	7.50 percent

~~St. Paul Teachers Retirement Fund Association~~

after June 30, 2012	5.0 percent
after June 30, 2013	5.25 percent
after June 30, 2014	5.5 percent
after June 30, 2015	6.0 percent
after June 30, 2016	6.25 percent
after June 30, 2017	6.5 percent

(2) for any basic member of the St. Paul Teachers Retirement Fund Association, the employing unit shall make a regular employer contribution to the respective retirement fund in an amount according to the schedule below:

after June 30, 2012	8.5 percent of salary
after June 30, 2013	8.75 percent of salary
after June 30, 2014	9.0 percent of salary
after June 30, 2015	9.5 percent of salary
after June 30, 2016	9.75 percent of salary
after June 30, 2017	10.0 percent of salary

(3) for a basic member of the St. Paul Teachers Retirement Fund Association, the employing unit shall make an additional employer contribution to the respective fund in an amount equal to 3.64 percent of the salary of the basic member;

(4) for a coordinated member of the St. Paul Teachers Retirement Fund Association, the employing unit shall make an additional employer contribution to the respective fund in an amount equal to ~~the applicable percentage~~ 3.84 percent of the coordinated member's salary, ~~as provided below:~~

~~St. Paul Teachers Retirement Fund Association~~ 3.84 percent

(b) The regular and additional employer contributions must be remitted directly to the ~~respective~~ St. Paul Teachers Retirement Fund Association at least once each month. Delinquent amounts are payable with interest under the procedure in subdivision 1a.

(c) Payments of regular and additional employer contributions for school district or technical college employees who are paid from normal operating funds must be made from the appropriate fund of the district or technical college.

(d) When an employer contribution rate changes for a fiscal year, the new contribution rate is effective for the entire salary paid by the employer with the first payroll cycle reported.

Sec. 22. Minnesota Statutes 2013 Supplement, section 354A.12, subdivision 3a, is amended to read:

Subd. 3a. **Special direct state aid to first class city teachers retirement fund associations.** (a) The state shall pay ~~\$346,000 as special direct state aid to the Duluth Teachers Retirement Fund Association and \$2,827,000 to the St. Paul Teachers Retirement Fund Association.~~

(b) ~~The aids aid~~ under this subdivision ~~are is~~ payable October 1 annually. The commissioner of management and budget shall pay the ~~aids aid~~ specified in this subdivision. ~~The amounts amount~~ required ~~are is~~ appropriated annually from the general fund to the commissioner of management and budget.

Sec. 23. Minnesota Statutes 2012, section 354A.31, subdivision 1, is amended to read:

Subdivision 1. **Age and service requirements.** Any coordinated member or former coordinated member of the ~~Duluth Teachers Retirement Fund Association or of the~~ St. Paul Teachers Retirement Fund Association who has ceased to render teaching service for ~~the Independent~~ School District ~~in which the teachers retirement fund association exists~~ No. 625, who is vested and who has either attained the age of at least 55 years or received credit for not less than 30 years of allowable service regardless of age, ~~shall be~~ is entitled upon written application to a retirement annuity.

Sec. 24. Minnesota Statutes 2012, section 354A.32, subdivision 1, is amended to read:

Subdivision 1. **Optional forms generally.** The board of the St. Paul Teachers Retirement Fund Association shall establish for the coordinated program ~~and the board of the Duluth Teachers Retirement Fund Association shall establish for the new law coordinated program~~ an optional retirement annuity which ~~shall~~ must take the form of a

joint and survivor annuity. ~~Each~~ The board may also, in its discretion, establish an optional annuity which ~~shall~~ may take the form of an annuity payable for a period certain and for life thereafter. ~~Each~~ The board shall also establish an optional retirement annuity that guarantees payment of the balance of the annuity recipient's accumulated deductions to a designated beneficiary upon the death of the annuity recipient. Except as provided in subdivision 1a, ~~the~~ optional annuity forms shall must be the actuarial equivalent of the normal forms provided in section 354A.31. In establishing these optional annuity forms, the board shall obtain the written recommendation of the actuary retained under section 356.214. The recommendation ~~shall~~ must be a part of the permanent records of the board.

Sec. 25. Minnesota Statutes 2012, section 354A.35, subdivision 1, is amended to read:

Subdivision 1. **Death before retirement; refund.** If a coordinated member or former coordinated member dies ~~prior to before~~ retirement or ~~prior to before~~ the receipt of any retirement annuity or other benefit payment which is or may be payable and a surviving spouse optional annuity is not payable ~~pursuant to under~~ subdivision 2, a refund ~~shall~~ must be paid to the person's surviving spouse, or if there is none, to the person's designated beneficiary, or if there is none, to the legal representative of the person's estate. For a coordinated member or former coordinated member of the St. Paul Teachers Retirement Fund Association, the refund ~~shall~~ must be in an amount equal to the person's accumulated employee contributions plus interest at the rate of six percent per annum compounded annually. ~~For a coordinated member or former coordinated member of the Duluth Teachers Retirement Fund Association, the refund shall be in an amount equal to the person's accumulated employee contributions plus interest at the rate of six percent per annum compounded annually to July 1, 2010, and four percent per annum compounded annually thereafter.~~

Sec. 26. Minnesota Statutes 2012, section 354A.37, subdivision 3, is amended to read:

Subd. 3. **Computation of refund amount.** A former coordinated member who qualifies for a refund under subdivision 1 ~~shall~~ is entitled to receive a refund equal to the amount of the former coordinated member's accumulated employee contributions with interest at the rate of six percent per annum compounded annually to ~~July 1, 2010, if the person is a former member of the Duluth Teachers Retirement Fund Association, or to July 1, 2011, if the person is a former member of the St. Paul Teachers Retirement Fund Association, and four percent per annum compounded annually thereafter.~~

Sec. 27. Minnesota Statutes 2012, section 354A.37, subdivision 4, is amended to read:

Subd. 4. **Certain refunds at normal retirement age.** Any coordinated member who has attained the normal retirement age with less than ten years of allowable service credit and has terminated active teaching service ~~shall be~~ is entitled to a refund in lieu of a proportionate annuity under section 356.32. The refund must be equal to the coordinated member's accumulated employee contributions plus interest at the rate of six percent compounded annually to ~~July 1, 2010, if the person is a former member of the Duluth Teachers Retirement Fund Association, or to July 1, 2011, if the person is a former member of the St. Paul Teachers Retirement Fund Association, and four percent per annum compounded annually thereafter.~~

Sec. 28. Minnesota Statutes 2012, section 354A.39, is amended to read:

354A.39 SERVICE IN OTHER PUBLIC RETIREMENT FUNDS; ANNUITY.

Any person who has been a member of the Minnesota State Retirement System, the Public Employees Retirement Association including the Public Employees Retirement Association Police and Fire Fund, the Teachers Retirement Association, the Minnesota State Patrol Retirement Association, the legislators retirement plan, the constitutional officers retirement plan, ~~the Duluth Teachers Retirement Fund Association new law coordinated program,~~ the St. Paul Teachers Retirement Fund Association coordinated program, or any other public employee retirement system in the state of Minnesota having a like provision, but excluding all other funds providing

retirement benefits for police officers or firefighters, is entitled, when qualified, to an annuity from each fund if the person's total allowable service in all of the funds or in any two or more of the funds totals three or more years, provided that no portion of the allowable service upon which the retirement annuity from one fund is based is used again in the computation for a retirement annuity from another fund and provided further that the person has not taken a refund from any of funds or associations since the person's membership in the fund or association has terminated. The annuity from each fund or association must be determined by the appropriate provisions of the law governing each fund or association, except that the requirement that a person must have at least three years of allowable service in the respective fund or association does not apply for the purposes of this section, provided that the aggregate service in two or more of these funds equals three or more years.

Sec. 29. Minnesota Statutes 2012, section 354A.41, is amended to read:

354A.41 ADMINISTRATION OF COORDINATED PROGRAM.

Subdivision 1. **Administrative provisions.** The provisions of the articles of incorporation and bylaws of the St. Paul Teachers Retirement Fund Association relating to the administration of the fund shall govern the administration of the coordinated and basic programs ~~and the provisions of the articles of incorporation and bylaws of the Duluth Teachers Retirement Fund Association relating to the administration of the fund shall govern the administration of the new law coordinated program in instances~~ where the administrative provisions are not inconsistent with ~~the provisions of~~ sections 354A.31 to 354A.41, including but not limited to provisions relating to the composition and function of the board of trustees, the investment of assets of the St. Paul Teachers Retirement Fund Association, and the definition of the plan year. The administrative provisions in the articles of incorporation and the bylaws of the Minneapolis Teachers Retirement Fund Association pertaining to the granting of pension benefits of the basic and coordinated programs are no longer in effect after June 30, 2006, and the administrative provisions of the Duluth Teachers Retirement Fund Association pertaining to retirement benefits of the old law coordinated program are no longer in effect after June 30, 2015.

Subd. 2. **Actuarial valuations.** In any actuarial valuation of the St. Paul Teachers Retirement Fund Association, ~~or the Duluth Teachers Retirement Fund Association~~ under section 356.215 prepared by the actuary retained under section 356.214 or supplemental actuarial valuation prepared by an approved actuary retained by the St. Paul Teachers Retirement Fund Association, there ~~shall~~ must be included a finding of the condition of the fund showing separately the basic and coordinated programs ~~or the old law coordinated and new law coordinated programs, as appropriate.~~ The finding ~~shall~~ must include the level normal cost and the applicable employee and employer contribution rates for each program.

Sec. 30. Minnesota Statutes 2012, section 354B.21, subdivision 3a, is amended to read:

Subd. 3a. **Plan coverage and election; certain past service technical college faculty.** (a) Notwithstanding subdivision 3, if an employee of the board was employed in a faculty position in a technical college on June 30, 1997, with coverage by the Teachers Retirement Association, the employee retains that coverage. If the employee was a technical college faculty member on June 30, 1995, covered by a first class city teacher retirement fund established under chapter 354A, the retirement coverage continues with the ~~Duluth Teachers Retirement Fund Association or the~~ St. Paul Teachers Retirement Fund Association, whichever is applicable. If the person was a technical college faculty member on June 30, 1995, covered by the former Minneapolis Teachers Retirement Fund Association ~~or the former Duluth Teachers Retirement Fund Association~~, the Teachers Retirement Association shall provide coverage.

(b) An employee under paragraph (a) who has coverage by ~~a first class city teacher~~ the St. Paul Teachers Retirement Fund Association retains that coverage for the duration of the person's employment by the board unless, within one year of a change in employment within the Minnesota State Colleges and Universities system, the person elects the individual retirement account plan for all future employment by the board. The election is irrevocable.

Sec. 31. Minnesota Statutes 2012, section 355.01, subdivision 2c, is amended to read:

Subd. 2c. **Duluth teacher.** "Duluth teacher" means a person employed by Independent School District No. 709, Duluth, who holds a position covered by the ~~Duluth Teachers Retirement Fund Association established under chapter 354A section 354.73 and section 46.~~

Sec. 32. Minnesota Statutes 2013 Supplement, section 356.20, subdivision 2, is amended to read:

Subd. 2. **Covered public pension plans and funds.** This section applies to the following public pension plans:

- (1) the general state employees retirement plan of the Minnesota State Retirement System;
- (2) the general employees retirement plan of the Public Employees Retirement Association;
- (3) the Teachers Retirement Association;
- (4) the State Patrol retirement plan;
- (5) the St. Paul Teachers Retirement Fund Association;
- ~~(6) the Duluth Teachers Retirement Fund Association;~~
- ~~(7)~~ (6) the University of Minnesota faculty retirement plan;
- ~~(8)~~ (7) the University of Minnesota faculty supplemental retirement plan;
- ~~(9)~~ (8) the judges retirement fund;
- ~~(10)~~ (9) the Bloomington Fire Department Relief Association;
- ~~(11)~~ (10) a volunteer firefighter relief association governed by section 424A.091;
- ~~(12)~~ (11) the public employees police and fire plan of the Public Employees Retirement Association;
- ~~(13)~~ (12) the correctional state employees retirement plan of the Minnesota State Retirement System;
- ~~(14)~~ (13) the local government correctional service retirement plan of the Public Employees Retirement Association; and
- ~~(15)~~ (14) the voluntary statewide lump-sum volunteer firefighter retirement plan.

Sec. 33. Minnesota Statutes 2013 Supplement, section 356.214, subdivision 1, is amended to read:

Subdivision 1. **Actuary retention.** (a) The governing board or managing or administrative official of each public pension plan and retirement fund or plan enumerated in paragraph (b) shall contract with an established actuarial consulting firm to conduct annual actuarial valuations and related services. The principal from the actuarial consulting firm on the contract must be an approved actuary under section 356.215, subdivision 1, paragraph (c).

(b) Actuarial services must include the preparation of actuarial valuations and related actuarial work for the following retirement plans:

- (1) the teachers retirement plan, Teachers Retirement Association;
- (2) the general state employees retirement plan, Minnesota State Retirement System;
- (3) the correctional employees retirement plan, Minnesota State Retirement System;
- (4) the State Patrol retirement plan, Minnesota State Retirement System;
- (5) the judges retirement plan, Minnesota State Retirement System;
- (6) the general employees retirement plan, Public Employees Retirement Association, including the MERF division;
- (7) the public employees police and fire plan, Public Employees Retirement Association;
- ~~(8) the Duluth teachers retirement plan, Duluth Teachers Retirement Fund Association;~~
- ~~(9)~~ (8) the St. Paul teachers retirement plan, St. Paul Teachers Retirement Fund Association;
- ~~(10)~~ (9) the legislators retirement plan, Minnesota State Retirement System; and
- ~~(11)~~ (10) the local government correctional service retirement plan, Public Employees Retirement Association.

(c) The actuarial valuation for the legislators retirement plan must include a separate calculation of total plan actuarial accrued liabilities due to constitutional officer coverage under section 3A.17.

(d) The contracts must require completion of the annual actuarial valuation calculations on a fiscal year basis, with the contents of the actuarial valuation calculations as specified in section 356.215, and in conformity with the standards for actuarial work adopted by the Legislative Commission on Pensions and Retirement.

The contracts must require completion of annual experience data collection and processing and a quadrennial published experience study for the plans listed in paragraph (b), clauses (1), (2), and (6), as provided for in the standards for actuarial work adopted by the commission. The experience data collection, processing, and analysis must evaluate the following:

- (1) individual salary progression;
- (2) the rate of return on investments based on the current asset value;
- (3) payroll growth;
- (4) mortality;
- (5) retirement age;
- (6) withdrawal; and
- (7) disablement.

(e) The actuary shall annually prepare a report to the governing or managing board or administrative official and the legislature, summarizing the results of the actuarial valuation calculations. The actuary shall include with the report any recommendations concerning the appropriateness of the support rates to achieve proper funding of the

retirement plans by the required funding dates. The actuary shall, as part of the quadrennial experience study, include recommendations on the appropriateness of the actuarial valuation assumptions required for evaluation in the study.

(f) If the actuarial gain and loss analysis in the actuarial valuation calculations indicates a persistent pattern of sizable gains or losses, the governing or managing board or administrative official shall direct the actuary to prepare a special experience study for a plan listed in paragraph (b), clause (3), (4), (5), (7), (8), (9), or (10), ~~or (11)~~, in the manner provided for in the standards for actuarial work adopted by the commission.

Sec. 34. Minnesota Statutes 2013 Supplement, section 356.215, subdivision 8, is amended to read:

Subd. 8. **Interest and salary assumptions.** (a) The actuarial valuation must use the applicable following preretirement interest assumption and the applicable following postretirement interest assumption:

(1) select and ultimate interest rate assumption

plan	ultimate preretirement interest rate assumption	ultimate postretirement interest rate assumption
general state employees retirement plan	8.5%	6.0%
correctional state employees retirement plan	8.5	6.0
State Patrol retirement plan	8.5	6.0
legislators retirement plan, and for the constitutional officers calculation of total plan liabilities	0.0	0.0
judges retirement plan	8.5	6.0
general public employees retirement plan	8.5	6.0
public employees police and fire retirement plan	8.5	6.0
local government correctional service retirement plan	8.5	6.0
teachers retirement plan	8.5	6.0
Duluth teachers retirement plan	8.5	8.5
St. Paul teachers retirement plan	8.5	8.5

Except for the legislators retirement plan and the constitutional officers calculation of total plan liabilities, the select preretirement interest rate assumption for the period after June 30, 2012, through June 30, 2017, is 8.0 percent. Except for the legislators retirement plan and the constitutional officers calculation of total plan liabilities, the select postretirement interest rate assumption for the period after June 30, 2012, through June 30, 2017, is 5.5 percent, except for ~~the Duluth teachers retirement plan and~~ the St. Paul teachers retirement plan, each with a select postretirement interest rate assumption for the period after June 30, 2012, through June 30, 2017, of 8.0 percent.

(2) single rate preretirement and postretirement interest rate assumption

plan	interest rate assumption
Bloomington Fire Department Relief Association	6.0
local monthly benefit volunteer firefighters relief associations	5.0

(b) The actuarial valuation must use the applicable following single rate future salary increase assumption, the applicable following modified single rate future salary increase assumption, or the applicable following graded rate future salary increase assumption:

(1) single rate future salary increase assumption

plan	future salary increase assumption
legislators retirement plan	5.0%
judges retirement plan	3.0
Bloomington Fire Department Relief Association	4.0

(2) age-related future salary increase age-related select and ultimate future salary increase assumption or graded rate future salary increase assumption

plan	future salary increase assumption
local government correctional service retirement plan	assumption <u>€ B</u>
Duluth teachers retirement plan	assumption A
St. Paul teachers retirement plan	assumption <u>B A</u>

For plans other than the ~~Duluth~~ St. Paul teachers retirement plan and the local government correctional service retirement plan, the select calculation is: during the designated select period, a designated percentage rate is multiplied by the result of the designated integer minus T, where T is the number of completed years of service, and is added to the applicable future salary increase assumption. The designated select period is ten years and the designated integer is ten ~~for the Duluth Teachers Retirement Fund Association~~ and for the local government correctional service retirement plan and 15 for the St. Paul Teachers Retirement Fund Association. The designated percentage rate is 0.2 percent for the St. Paul Teachers Retirement Fund Association. ~~The select calculation for the Duluth Teachers Retirement Fund Association is 8.00 percent per year for service years one through seven, 7.25 percent per year for service years seven and eight, and 6.50 percent per year for service years eight and nine.~~

The ultimate future salary increase assumption is:

age	A	B <u>A</u>	<u>€ B</u>
16	6.00%	5.90%	9.00%
17	6.00	5.90	9.00
18	6.00	5.90	9.00
19	6.00	5.90	9.00
20	6.00	5.90	9.00
21	6.00	5.90	8.75
22	6.00	5.90	8.50
23	6.00	5.85	8.25
24	6.00	5.80	8.00
25	6.00	5.75	7.75
26	6.00	5.70	7.50
27	6.00	5.65	7.25
28	6.00	5.60	7.00
29	6.00	5.55	6.75
30	6.00	5.50	6.75

31	6.00	5.45	6.50
32	6.00	5.40	6.50
33	6.00	5.35	6.50
34	6.00	5.30	6.25
35	6.00	5.25	6.25
36	5.86	5.20	6.00
37	5.73	5.15	6.00
38	5.59	5.10	6.00
39	5.45	5.05	5.75
40	5.31	5.00	5.75
41	5.18	4.95	5.75
42	5.04	4.90	5.50
43	4.90	4.85	5.25
44	4.76	4.80	5.25
45	4.63	4.75	5.00
46	4.49	4.70	5.00
47	4.35	4.65	5.00
48	4.21	4.60	5.00
49	4.08	4.55	5.00
50	3.94	4.50	5.00
51	3.80	4.45	5.00
52	3.66	4.40	5.00
53	3.53	4.35	5.00
54	3.39	4.30	5.00
55	3.25	4.25	4.75
56	3.25	4.20	4.75
57	3.25	4.15	4.50
58	3.25	4.10	4.25
59	3.25	4.05	4.25
60	3.25	4.00	4.25
61	3.25	4.00	4.25
62	3.25	4.00	4.25
63	3.25	4.00	4.25
64	3.25	4.00	4.25
65	3.25	4.00	4.00
66	3.25	4.00	4.00
67	3.25	4.00	4.00
68	3.25	4.00	4.00
69	3.25	4.00	4.00
70	3.25	4.00	4.00

(3) service-related ultimate future salary increase assumption

general state employees retirement plan of the Minnesota State Retirement System	assumption A
general employees retirement plan of the Public Employees Retirement Association	assumption B
Teachers Retirement Association	assumption C
public employees police and fire retirement plan	assumption D
State Patrol retirement plan	assumption E
correctional state employees retirement plan of the Minnesota State Retirement System	assumption F

service length	A	B	C	D	E	F
1	10.50%	12.03%	12.00%	13.00%	8.00%	6.00%
2	8.10	8.90	9.00	11.00	7.50	5.85
3	6.90	7.46	8.00	9.00	7.00	5.70
4	6.20	6.58	7.50	8.00	6.75	5.55
5	5.70	5.97	7.25	6.50	6.50	5.40
6	5.30	5.52	7.00	6.10	6.25	5.25
7	5.00	5.16	6.85	5.80	6.00	5.10
8	4.70	4.87	6.70	5.60	5.85	4.95
9	4.50	4.63	6.55	5.40	5.70	4.80
10	4.40	4.42	6.40	5.30	5.55	4.65
11	4.20	4.24	6.25	5.20	5.40	4.55
12	4.10	4.08	6.00	5.10	5.25	4.45
13	4.00	3.94	5.75	5.00	5.10	4.35
14	3.80	3.82	5.50	4.90	4.95	4.25
15	3.70	3.70	5.25	4.80	4.80	4.15
16	3.60	3.60	5.00	4.80	4.65	4.05
17	3.50	3.51	4.75	4.80	4.50	3.95
18	3.50	3.50	4.50	4.80	4.35	3.85
19	3.50	3.50	4.25	4.80	4.20	3.75
20	3.50	3.50	4.00	4.80	4.05	3.75
21	3.50	3.50	3.90	4.70	4.00	3.75
22	3.50	3.50	3.80	4.60	4.00	3.75
23	3.50	3.50	3.70	4.50	4.00	3.75
24	3.50	3.50	3.60	4.50	4.00	3.75
25	3.50	3.50	3.50	4.50	4.00	3.75
26	3.50	3.50	3.50	4.50	4.00	3.75
27	3.50	3.50	3.50	4.50	4.00	3.75
28	3.50	3.50	3.50	4.50	4.00	3.75
29	3.50	3.50	3.50	4.50	4.00	3.75
30 or more	3.50	3.50	3.50	4.50	4.00	3.75

(c) The actuarial valuation must use the applicable following payroll growth assumption for calculating the amortization requirement for the unfunded actuarial accrued liability where the amortization retirement is calculated as a level percentage of an increasing payroll:

plan	payroll growth assumption
general state employees retirement plan of the Minnesota State Retirement System	3.75%
correctional state employees retirement plan	3.75
State Patrol retirement plan	3.75
judges retirement plan	3.00
general employees retirement plan of the Public Employees Retirement Association	3.75
public employees police and fire retirement plan	3.75
local government correctional service retirement plan	3.75
teachers retirement plan	3.75
Duluth teachers retirement plan	3.50
St. Paul teachers retirement plan	4.00

(d) The assumptions set forth in paragraphs (b) and (c) continue to apply, unless a different salary assumption or a different payroll increase assumption:

(1) has been proposed by the governing board of the applicable retirement plan;

(2) is accompanied by the concurring recommendation of the actuary retained under section 356.214, subdivision 1, if applicable, or by the approved actuary preparing the most recent actuarial valuation report if section 356.214 does not apply; and

(3) has been approved or deemed approved under subdivision 18.

Sec. 35. Minnesota Statutes 2013 Supplement, section 356.219, subdivision 8, is amended to read:

Subd. 8. **Timing of reports.** (a) For the Bloomington Fire Department Relief Association and the volunteer firefighter relief associations, the information required under this section must be submitted by the due date for reports required under section 69.051, subdivision 1 or 1a, as applicable. If a relief association satisfies the definition of a fully invested plan under subdivision 1, paragraph (b), for the calendar year covered by the report required under section 69.051, subdivision 1 or 1a, as applicable, the chief administrative officer of the covered pension plan shall certify that compliance on a form prescribed by the state auditor. The state auditor shall transmit annually to the State Board of Investment a list or lists of covered pension plans which submitted certifications in order to facilitate reporting by the State Board of Investment under paragraph (c).

(b) For the St. Paul Teachers Retirement Fund Association, ~~the Duluth Teachers Retirement Fund Association,~~ and the University of Minnesota faculty supplemental retirement plan, the information required under this section must be submitted to the state auditor by June 1 of each year.

(c) The State Board of Investment, on behalf of pension funds specified in subdivision 1, paragraph (c), ~~must~~ shall report information required under this section by September 1 of each year.

Sec. 36. Minnesota Statutes 2013 Supplement, section 356.30, subdivision 3, is amended to read:

Subd. 3. **Covered plans.** This section applies to the following retirement plans:

(1) the general state employees retirement plan of the Minnesota State Retirement System, established under chapter 352;

(2) the correctional state employees retirement plan of the Minnesota State Retirement System, established under chapter 352;

(3) the unclassified employees retirement program, established under chapter 352D;

(4) the State Patrol retirement plan, established under chapter 352B;

(5) the legislators retirement plan, established under chapter 3A, including constitutional officers as specified in that chapter;

(6) the general employees retirement plan of the Public Employees Retirement Association, established under chapter 353, including the MERF division of the Public Employees Retirement Association;

(7) the public employees police and fire retirement plan of the Public Employees Retirement Association, established under chapter 353;

(8) the local government correctional service retirement plan of the Public Employees Retirement Association, established under chapter 353E;

(9) the Teachers Retirement Association, established under chapter 354;

(10) the St. Paul Teachers Retirement Fund Association, established under chapter 354A; and

~~(11) the Duluth Teachers Retirement Fund Association, established under chapter 354A; and~~

~~(12)~~ (11) the judges retirement fund, established by chapter 490.

Sec. 37. Minnesota Statutes 2012, section 356.302, subdivision 7, is amended to read:

Subd. 7. **Covered retirement plans.** This section applies to the following retirement plans:

(1) the general state employees retirement plan of the Minnesota State Retirement System, established by chapter 352;

(2) the unclassified state employees retirement program of the Minnesota State Retirement System, established by chapter 352D;

(3) the general employees retirement plan of the Public Employees Retirement Association, established by chapter 353, including the MERF division of the Public Employees Retirement Association;

(4) the Teachers Retirement Association, established by chapter 354;

~~(5) the Duluth Teachers Retirement Fund Association, established by chapter 354A;~~

~~(6)~~ (5) the St. Paul Teachers Retirement Fund Association, established by chapter 354A;

~~(7)~~ (6) the state correctional employees retirement plan of the Minnesota State Retirement System, established by chapter 352;

~~(8)~~ (7) the State Patrol retirement plan, established by chapter 352B;

~~(9)~~ (8) the public employees police and fire plan of the Public Employees Retirement Association, established by chapter 353;

~~(10)~~ (9) the local government correctional service retirement plan of the Public Employees Retirement Association, established by chapter 353E; and

~~(11)~~ (10) the judges retirement plan, established by chapter 490.

Sec. 38. Minnesota Statutes 2012, section 356.303, subdivision 4, is amended to read:

Subd. 4. **Covered retirement plans.** This section applies to the following retirement plans:

(1) the legislators retirement plan, established by chapter 3A;

(2) the general state employees retirement plan of the Minnesota State Retirement System, established by chapter 352;

(3) the correctional state employees retirement plan of the Minnesota State Retirement System, established by chapter 352;

(4) the State Patrol retirement plan, established by chapter 352B;

(5) the elective state officers retirement plan, established by chapter 352C;

(6) the unclassified state employees retirement program, established by chapter 352D;

(7) the general employees retirement plan of the Public Employees Retirement Association, established by chapter 353, including the MERF division of the Public Employees Retirement Association;

(8) the public employees police and fire plan of the Public Employees Retirement Association, established by chapter 353;

(9) the local government correctional service retirement plan of the Public Employees Retirement Association, established by chapter 353E;

(10) the Teachers Retirement Association, established by chapter 354;

~~(11) the Duluth Teachers Retirement Fund Association, established by chapter 354A;~~

~~(12)~~ (11) the St. Paul Teachers Retirement Fund Association, established by chapter 354A; and

~~(13)~~ (12) the judges retirement fund, established by chapter 490.

Sec. 39. Minnesota Statutes 2012, section 356.32, subdivision 2, is amended to read:

Subd. 2. **Covered retirement plans.** The provisions of this section apply to the following retirement plans:

(1) the general state employees retirement plan of the Minnesota State Retirement System, established under chapter 352;

(2) the correctional state employees retirement plan of the Minnesota State Retirement System, established under chapter 352;

(3) the State Patrol retirement plan, established under chapter 352B;

(4) the general employees retirement plan of the Public Employees Retirement Association, established under chapter 353, including the MERF division of the Public Employees Retirement Association;

(5) the public employees police and fire plan of the Public Employees Retirement Association, established under chapter 353;

(6) the Teachers Retirement Association, established under chapter 354; and

~~(7) the Duluth Teachers Retirement Fund Association, established under chapter 354A; and~~

~~(8)~~ (7) the St. Paul Teachers Retirement Fund Association, established under chapter 354A.

Sec. 40. Minnesota Statutes 2013 Supplement, section 356.401, subdivision 3, is amended to read:

Subd. 3. **Covered retirement plans.** The provisions of this section apply to the following retirement plans:

(1) the legislators retirement plan, established by chapter 3A, including constitutional officers as specified in that chapter;

(2) the general state employees retirement plan of the Minnesota State Retirement System, established by chapter 352;

(3) the correctional state employees retirement plan of the Minnesota State Retirement System, established by chapter 352;

(4) the State Patrol retirement plan, established by chapter 352B;

(5) the unclassified state employees retirement program, established by chapter 352D;

(6) the general employees retirement plan of the Public Employees Retirement Association, established by chapter 353, including the MERF division of the Public Employees Retirement Association;

(7) the public employees police and fire plan of the Public Employees Retirement Association, established by chapter 353;

(8) the public employees defined contribution plan, established by chapter 353D;

(9) the local government correctional service retirement plan of the Public Employees Retirement Association, established by chapter 353E;

(10) the voluntary statewide lump-sum volunteer firefighter retirement plan, established by chapter 353G;

(11) the Teachers Retirement Association, established by chapter 354;

~~(12) the Duluth Teachers Retirement Fund Association, established by chapter 354A;~~

~~(13)~~ (12) the St. Paul Teachers Retirement Fund Association, established by chapter 354A;

~~(14)~~ (13) the individual retirement account plan, established by chapter 354B;

~~(15)~~ (14) the higher education supplemental retirement plan, established by chapter 354C; and

~~(16)~~ (15) the judges retirement fund, established by chapter 490.

Sec. 41. Minnesota Statutes 2012, section 356.42, subdivision 3, is amended to read:

Subd. 3. **Covered retirement plans.** The postretirement adjustment provided in this section applies to the following retirement funds:

(1) the general employees retirement plans of the Public Employees Retirement Association;

(2) the public employees police and fire plan of the Public Employees Retirement Association;

- (3) the teachers retirement association;
- (4) the State Patrol retirement plan;
- (5) the state employees retirement plan of the Minnesota State Retirement System; and
- (6) the St. Paul Teachers Retirement Fund Association established under chapter 354A; ~~and.~~
- ~~(7) the Duluth Teachers Retirement Fund Association established under chapter 354A.~~

Sec. 42. Minnesota Statutes 2012, section 356.465, subdivision 3, is amended to read:

Subd. 3. **Covered retirement plans.** The provisions of this section apply to the following retirement plans:

- (1) the general state employees retirement plan of the Minnesota State Retirement System established under chapter 352;
- (2) the correctional state employees retirement plan of the Minnesota State Retirement System established under chapter 352;
- (3) the State Patrol retirement plan established under chapter 352B;
- (4) the legislators retirement plan established under chapter 3A;
- (5) the judges retirement plan established under chapter 490;
- (6) the general employees retirement plan of the Public Employees Retirement Association established under chapter 353, including the MERF division of the Public Employees Retirement Association;
- (7) the public employees police and fire plan of the Public Employees Retirement Association established under chapter 353;
- (8) the teachers retirement plan established under chapter 354;
- ~~(9) the Duluth Teachers Retirement Fund Association established under chapter 354A;~~
- ~~(40)~~ (9) the St. Paul Teachers Retirement Fund Association established under chapter 354A; and
- ~~(44)~~ (10) the local government correctional service retirement plan of the Public Employees Retirement Association established under chapter 353E.

Sec. 43. Minnesota Statutes 2012, section 356.47, subdivision 3, is amended to read:

Subd. 3. **Payment.** (a) Beginning one year after the reemployment withholding period ends relating to the reemployment that gave rise to the limitation, and the filing of a written application, the retired member is entitled to the payment, in a lump sum, of the value of the person's amount under subdivision 2, plus annual compound interest. For the general state employees retirement plan, the correctional state employees retirement plan, the general employees retirement plan of the Public Employees Retirement Association, the public employees police and fire retirement plan, the local government correctional employees retirement plan, and the teachers retirement plan, the annual interest rate is six percent from the date on which the amount was deducted from the retirement annuity to the date of payment or until January 1, 2011, whichever is earlier, and no interest after January 1, 2011. ~~For the~~

~~Duluth Teachers Retirement Fund Association, the annual interest is six percent from the date on which the amount was deducted from the retirement annuity to the date of payment or until June 30, 2010, whichever is earlier, and with no interest accrual after June 30, 2010.~~ For the St. Paul Teachers Retirement Fund Association, the annual interest is the rate of six percent from the date that the amount was deducted from the retirement annuity to the date of payment or June 30, 2011, whichever is earlier, and with no interest accrual after June 30, 2011.

(b) The written application must be on a form prescribed by the chief administrative officer of the applicable retirement plan.

(c) If the retired member dies before the payment provided for in paragraph (a) is made, the amount is payable, upon written application, to the deceased person's surviving spouse, or if none, to the deceased person's designated beneficiary, or if none, to the deceased person's estate.

(d) In lieu of the direct payment of the person's amount under subdivision 2, on or after the payment date under paragraph (a), if the federal Internal Revenue Code so permits, the retired member may elect to have all or any portion of the payment amount under this section paid in the form of a direct rollover to an eligible retirement plan as defined in section 402(c) of the federal Internal Revenue Code that is specified by the retired member. If the retired member dies with a balance remaining payable under this section, the surviving spouse of the retired member, or if none, the deceased person's designated beneficiary, or if none, the administrator of the deceased person's estate may elect a direct rollover under this paragraph.

Sec. 44. Minnesota Statutes 2012, section 356.99, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the terms in paragraphs (b) to (e) have the meanings given them.

(b) "Chief administrative officer" means the person selected or elected by the governing board of a covered pension plan with primary responsibility to administer the covered pension plan, or that person's designee or representative.

(c) "Covered pension plan" means a plan enumerated in section 356.30, subdivision 3, except clauses (3), (5), and (6).

(d) "Governing board" means the governing board of the Minnesota State Retirement System, the Public Employees Retirement Association, the Teachers Retirement Association, ~~the Duluth Teachers Retirement Fund Association,~~ or the St. Paul Teachers Retirement Fund Association.

(e) "Member" means an active plan member in a covered pension plan.

Sec. 45. Minnesota Statutes 2013 Supplement, section 423A.02, subdivision 3, is amended to read:

Subd. 3. **Reallocation of amortization state aid.** (a) Seventy percent of the difference between \$5,720,000 and the current year amortization aid distributed under subdivision 1 that is not distributed for any reason to a municipality must be distributed by the commissioner of revenue according to this paragraph. The commissioner shall distribute ~~50~~ 60 percent of the amounts derived under this paragraph to the Teachers Retirement Association, ~~ten percent to the Duluth Teachers Retirement Fund Association,~~ and 40 percent to the St. Paul Teachers Retirement Fund Association to fund the unfunded actuarial accrued liabilities of the respective funds. These payments must be made on July 15 each fiscal year. If the St. Paul Teachers Retirement Fund Association or the Duluth Teachers Retirement Fund Association becomes fully funded, the association's eligibility for its portion of this aid ceases. Amounts remaining in the undistributed balance account at the end of the biennium if aid eligibility ceases cancel to the general fund.

(b) In order to receive amortization aid under paragraph (a), before June 30 annually Independent School District No. 625, St. Paul, must make an additional contribution of \$800,000 each year to the St. Paul Teachers Retirement Fund Association.

(c) Thirty percent of the difference between \$5,720,000 and the current year amortization aid under subdivision 1a that is not distributed for any reason to a municipality must be distributed under section 69.021, subdivision 7, paragraph (d), as additional funding to support a minimum fire state aid amount for volunteer firefighter relief associations.

Sec. 46. **CONSOLIDATION OF DULUTH TEACHERS RETIREMENT FUND ASSOCIATION.**

Subdivision 1. Membership transfer. All active, inactive, and retired members of the Duluth Teachers Retirement Fund Association are transferred to the Teachers Retirement Association and are no longer members of the Duluth Teachers Retirement Fund Association as of July 1, 2015.

Subd. 2. Teachers Retirement Association membership. A person first hired as a teacher by Independent School District No. 709, Duluth, after June 30, 2015, and who is a teacher as defined in Minnesota Statutes, section 354.05, subdivision 2, is a member of the Teachers Retirement Association for the person's subsequent teaching service.

Subd. 3. Service credit and liability transfer. All allowable service and salary credit of the members and other individuals transferred under subdivision 1 as specified in the records of the Duluth Teachers Retirement Fund Association as of June 30, 2015, is allowable service credit under Minnesota Statutes, section 354.05, subdivision 13, formula service credit under Minnesota Statutes, section 354.05, subdivision 25, and salary credit under Minnesota Statutes, section 354.05, subdivision 35, for the Teachers Retirement Association.

Subd. 4. Transfer of records. On or before June 30, 2015, the chief administrative officer of the Duluth Teachers Retirement Fund Association shall transfer all records and documents relating to the funds and the benefit plans of the association to the executive director of the Teachers Retirement Association. To the extent possible, original copies of all records and documents must be transferred.

Subd. 5. Transfer of assets. (a) On or before December 31, 2014, the chief administrative officer of the Duluth Teachers Retirement Fund Association shall transfer to the State Board of Investment for investment under Minnesota Statutes, section 11A.14, the entire assets of the special retirement fund, except for direct real estate holdings, of the Duluth Teachers Retirement Fund Association.

(b) By August 1, 2014, the chief administrative officer of the Duluth Teachers Retirement Fund Association must provide to the State Board of Investment a list of assets that are intended to be transferred.

(c) The executive director of the State Board of Investment shall review the assets and determine which assets are not in compliance with the requirements and limitations set forth in Minnesota Statutes, sections 11A.09, 11A.14, 11A.23, and 11A.24, or are not appropriate for retention under the established investment objectives of the State Board of Investment. Within 30 days of the date on which the asset transfer occurred, the executive director of the State Board of Investment shall provide the chief administrative officer of the Duluth Teachers Retirement Fund Association with a list of assets that are acceptable for transfer and a list of assets that are noncompliant or inappropriate. Acceptable assets, including cash, must be transferred at market value, and transfers may begin upon the transfer of legal title and notification by the chief administrative officer of the Duluth Teachers Retirement Fund Association to the State Board of Investment.

(d) Assets deemed to be noncompliant or inappropriate must be retained by the Duluth Teachers Retirement Fund Association. Within 30 days of receipt of the list of noncompliant or inappropriate assets, the chief administrative officer of the Duluth Teachers Retirement Fund Association must provide the executive director of the State Board of Investment with evidence that the chief administrative officer of the Duluth Teachers Retirement Fund Association is taking action to convert noncompliant or inappropriate assets to acceptable assets.

(e) Beginning January 1, 2015, the executive director of the State Board of Investment is authorized to direct the process of transferring legal title of assets for which such change is deemed necessary.

(f) On June 30, 2015, the remaining assets of the special retirement fund of the Duluth Teachers Retirement Fund Association are transferred to the State Board of Investment at market values determined by the executive director of the State Board of Investment. Legal title to transferred assets vests with the State Board of Investment on behalf of the Teachers Retirement Association. The transfer of the assets of the Duluth Teachers Retirement Fund Association special retirement fund must include any investment-related accounts receivable that are determined by the executive director of the State Board of Investment as reasonably capable of being collected and any non-investment-related accounts receivable that are determined by the executive director of the Teachers Retirement Association as reasonably capable of being collected. For accounts receivable that are determined as not reasonably capable of being collected, legal title to the account transfers to Independent School District No. 709, Duluth, as of the date of the determination of the executive director of the State Board of Investment and the executive director of the Teachers Retirement Association. If the accounts receivable transferred to Independent School District No. 709, Duluth, are subsequently recovered by the school district, the superintendent of Independent School District No. 709, Duluth, shall transfer the recovered amount to the executive director of the Teachers Retirement Association, in cash, for deposit in the teachers retirement fund, less the reasonable expenses of the school district related to the recovery. If the board of trustees of the Duluth Teachers Retirement Fund Association establishes a liquidating trust and deposits any of the retirement fund association assets in that trust or if the legislative auditor determines that the transferred assets were in an amount less than the full assets of the retirement fund association other than assets in the tax sheltered annuity program on the date of transfer as specified in paragraph (g), the amount of any untransferred assets are a claim against the state aid otherwise payable to Independent School District No. 709, Duluth, payable to the Teachers Retirement Association by the commissioner of management and budget upon request by the executive director of the Teachers Retirement Association.

(g) As of June 30, 2015, assets of the special retirement fund, except for direct real estate holdings, of the Duluth Teachers Retirement Fund Association are assets of the Teachers Retirement Association to be invested by the State Board of Investment under Minnesota Statutes, section 354.07, subdivision 4.

Subd. 6. **Termination of Duluth Teachers Retirement Fund Association special retirement fund.** (a) As of June 30, 2015, the Duluth Teachers Retirement Fund Association as a public retirement plan and its special retirement fund ceases to exist.

(b) Contracts, records, and obligations of the Duluth Teachers Retirement Fund Association special retirement fund existing at the time of consolidation with the Teachers Retirement Association are transferred to the Teachers Retirement Association under Minnesota Statutes, section 15.039, subdivisions 5 and 5a, except that contracts, records, and obligations of the Duluth Teachers Retirement Fund Association special retirement fund related to investment and safekeeping of assets are transferred to the State Board of Investment under Minnesota Statutes, section 15.039, subdivisions 5 and 5a. The State Board of Investment has the authority to pay the investment-related liabilities and obligations from the assets transferred from the Duluth Teachers Retirement Fund Association incurred by the Teachers Retirement Association. The legislative auditor shall audit the Duluth Teachers Retirement Fund Association for the fiscal year ending June 30, 2015, as part of the Teachers Retirement Association board's annual financial reporting requirements under Minnesota Statutes, section 356.20. The board of trustees of the Teachers Retirement Association may authorize and contract with either the legislative auditor or the state auditor to perform other audit services. Between April 1, 2015, and June 30, 2015, the Duluth Teachers Retirement Fund Association cannot incur a new or additional enforceable contractual liability or obligation without approval of the executive director of the Teachers Retirement Association.

Sec. 47. **DULUTH TEACHERS RETIREMENT FUND ASSOCIATION EMPLOYEES.**

Effective June 30, 2015, the employees of the Duluth Teachers Retirement Fund Association have their employment with the Duluth Teachers Retirement Fund Association terminated and, effective July 1, 2015, unless the former employee elects otherwise, the Duluth Teachers Retirement Fund Association employees, excluding the Executive Director, become employees of the Teachers Retirement Association. The commissioner of management and budget shall place employees from the former Duluth Teachers Retirement Fund Association into state service in their proper classifications, except that employees are appointed without examination and must be compensated at no less than their current hourly salary rate. Employees must have their accumulated, but unused, vacation leave balance as of June 30, 2015, posted to their credit by the Teachers Retirement Association, but if the employee has vacation time in excess of the applicable maximum, no additional vacation may accrue until the employee's balance falls below the maximum permitted by the state for the employee's position. The employees must receive length of service credit for vacation leave accrual for time served at the Duluth Teachers Retirement Fund Association. Duluth Teachers Retirement Fund Association employees who become employees of the Teachers Retirement Association effective on July 1, 2015, must be considered to have completed six months of continuous service for vacation use purposes. Employees of the former Duluth Teachers Retirement Fund Association appointed to the classified service are subject to a probationary period under the collective bargaining agreement or compensation plan applicable to the employee's position at the Teachers Retirement Association. Effective July 1, 2015, all transferred employees must be enrolled in the state employees' group insurance program as provided in Minnesota Statutes, sections 43A.22 to 43A.31, and the commissioner of management and budget shall provide open enrollment in all state employee health and dental insurance plans with no limitation on preexisting conditions except as specified in existing state employee certificates of coverage. The commissioner of management and budget shall provide these transferred employees with the opportunity to purchase optional life and disability insurance as provided by the state group insurance program in accordance with the policies of management and budget.

Sec. 48. **REPEALER.**

(a) Minnesota Statutes 2012, sections 354A.021, subdivision 5; 354A.108; 354A.24; and 354A.27, subdivision 5, are repealed.

(b) Minnesota Statutes 2013 Supplement, sections 354A.27, subdivisions 6a and 7; and 354A.31, subdivision 4a, are repealed.

Sec. 49. **EFFECTIVE DATE.**

(a) Section 8, subdivision 1, is effective July 1, 2014. Section 46, subdivision 5, is effective October 1, 2014. Sections 1 to 7, 8, subdivisions 2 and 3, 9 to 14, 16 to 45, 46, subdivisions 1 to 4 and 6, 47, and 48, are effective June 30, 2015, if the following approve the consolidation provisions before October 1, 2014:

(1) the board of trustees of the Duluth Teachers Retirement Fund Association;

(2) the membership of the Duluth Teachers Retirement Fund Association; and

(3) the board of trustees of the Teachers Retirement Association.

(b) An approval under paragraph (a) must be provided in a timely manner in compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3, to the secretary of state, the state auditor, the legislative auditor, and the revisor of statutes by the chief administrative officer of the Duluth Teachers Retirement Fund Association for an approval under paragraph (a) by the board of trustees of the Duluth Teachers Retirement Fund Association or by the membership of the Duluth Teachers Retirement Fund Association and by the chief administrative officer of the Teachers Retirement Association for an approval under paragraph (a) by the board of trustees of the Teachers Retirement Association.

ARTICLE 7
FIRST CLASS CITY TEACHER RETIREMENT FUND ASSOCIATION CHANGES

Section 1. Minnesota Statutes 2013 Supplement, section 354A.12, subdivision 3a, is amended to read:

Subd. 3a. **Special Direct state aid to first class city teachers retirement fund associations.** (a) The state shall pay \$346,000 as special direct state aid to the Duluth Teachers Retirement Fund Association and \$2,827,000 to the St. Paul Teachers Retirement Fund Association.

(b) In addition to other amounts specified in this subdivision, the state shall pay \$7,000,000 as state aid to the St. Paul Teachers Retirement Fund Association.

~~(b)~~ (c) The aids under this subdivision are payable October 1 annually. The commissioner of management and budget shall pay the aids specified in this subdivision. The amounts required are appropriated annually from the general fund to the commissioner of management and budget.

EFFECTIVE DATE. This section is effective September 30, 2014.

Sec. 2. Minnesota Statutes 2013 Supplement, section 354A.12, subdivision 3c, is amended to read:

Subd. 3c. **Termination of supplemental contributions and direct matching and state aid.** (a) The supplemental contributions payable to the St. Paul Teachers Retirement Fund Association by Independent School District No. 625 under section 423A.02, subdivision 3, and all forms of ~~state~~ aid under subdivision 3a to the St. Paul Teachers Retirement Fund Association must continue until the current assets of the fund equal or exceed the actuarial accrued liability of the fund as determined in the most recent actuarial report for the fund by the actuary retained under section 356.214 or until ~~June 30, 2037~~ the established date for full funding under section 356.215, subdivision 11, whichever occurs earlier.

(b) The aid to the Duluth Teachers Retirement Fund Association under section 423A.02, subdivision 3, and all forms of state aid under subdivision 3a to the Duluth Teachers Retirement Fund Association must continue until the current assets of the fund equal or exceed the actuarial accrued liability of the fund as determined in the most recent actuarial report for the fund by the actuary retained under section 356.214 or until the established date for full funding under section 356.215, subdivision 11, whichever occurs earlier.

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

Sec. 3. Minnesota Statutes 2012, section 356.215, subdivision 11, is amended to read:

Subd. 11. **Amortization contributions.** (a) In addition to the exhibit indicating the level normal cost, the actuarial valuation of the retirement plan must contain an exhibit for financial reporting purposes indicating the additional annual contribution sufficient to amortize the unfunded actuarial accrued liability and must contain an exhibit for contribution determination purposes indicating the additional contribution sufficient to amortize the unfunded actuarial accrued liability. For the retirement plans listed in subdivision 8, paragraph (c), but excluding the MERF division of the Public Employees Retirement Association and the legislators retirement plan, the additional contribution must be calculated on a level percentage of covered payroll basis by the established date for full funding in effect when the valuation is prepared, assuming annual payroll growth at the applicable percentage rate set forth in subdivision 8, paragraph (c). For all other retirement plans and for the MERF division of the Public Employees Retirement Association and the legislators retirement plan, the additional annual contribution must be calculated on a level annual dollar amount basis.

(b) For any retirement plan other than the general state employees retirement plan of the Minnesota State Retirement System or a retirement plan governed by paragraph (d), (e), (f), (g), (h), (i), or (j), if there has not been a change in the actuarial assumptions used for calculating the actuarial accrued liability of the fund, a change in the benefit plan governing annuities and benefits payable from the fund, a change in the actuarial cost method used in calculating the actuarial accrued liability of all or a portion of the fund, or a combination of the three, which change or changes by itself or by themselves without inclusion of any other items of increase or decrease produce a net increase in the unfunded actuarial accrued liability of the fund, the established date for full funding is the first actuarial valuation date occurring after June 1, 2020.

(c) For any retirement plan other than the general employees retirement plan of the Public Employees Retirement Association, if there has been a change in any or all of the actuarial assumptions used for calculating the actuarial accrued liability of the fund, a change in the benefit plan governing annuities and benefits payable from the fund, a change in the actuarial cost method used in calculating the actuarial accrued liability of all or a portion of the fund, or a combination of the three, and the change or changes, by itself or by themselves and without inclusion of any other items of increase or decrease, produce a net increase in the unfunded actuarial accrued liability in the fund, the established date for full funding must be determined using the following procedure:

(i) the unfunded actuarial accrued liability of the fund must be determined in accordance with the plan provisions governing annuities and retirement benefits and the actuarial assumptions in effect before an applicable change;

(ii) the level annual dollar contribution or level percentage, whichever is applicable, needed to amortize the unfunded actuarial accrued liability amount determined under item (i) by the established date for full funding in effect before the change must be calculated using the interest assumption specified in subdivision 8 in effect before the change;

(iii) the unfunded actuarial accrued liability of the fund must be determined in accordance with any new plan provisions governing annuities and benefits payable from the fund and any new actuarial assumptions and the remaining plan provisions governing annuities and benefits payable from the fund and actuarial assumptions in effect before the change;

(iv) the level annual dollar contribution or level percentage, whichever is applicable, needed to amortize the difference between the unfunded actuarial accrued liability amount calculated under item (i) and the unfunded actuarial accrued liability amount calculated under item (iii) over a period of 30 years from the end of the plan year in which the applicable change is effective must be calculated using the applicable interest assumption specified in subdivision 8 in effect after any applicable change;

(v) the level annual dollar or level percentage amortization contribution under item (iv) must be added to the level annual dollar amortization contribution or level percentage calculated under item (ii);

(vi) the period in which the unfunded actuarial accrued liability amount determined in item (iii) is amortized by the total level annual dollar or level percentage amortization contribution computed under item (v) must be calculated using the interest assumption specified in subdivision 8 in effect after any applicable change, rounded to the nearest integral number of years, but not to exceed 30 years from the end of the plan year in which the determination of the established date for full funding using the procedure set forth in this clause is made and not to be less than the period of years beginning in the plan year in which the determination of the established date for full funding using the procedure set forth in this clause is made and ending by the date for full funding in effect before the change; and

(vii) the period determined under item (vi) must be added to the date as of which the actuarial valuation was prepared and the date obtained is the new established date for full funding.

(d) For the MERF division of the Public Employees Retirement Association, the established date for full funding is June 30, 2031.

(e) For the general employees retirement plan of the Public Employees Retirement Association, the established date for full funding is June 30, 2031.

(f) For the Teachers Retirement Association, the established date for full funding is June 30, 2037.

(g) For the correctional state employees retirement plan of the Minnesota State Retirement System, the established date for full funding is June 30, 2038.

(h) For the judges retirement plan, the established date for full funding is June 30, 2038.

(i) For the public employees police and fire retirement plan, the established date for full funding is June 30, 2038.

(j) For the St. Paul Teachers Retirement Fund Association, the established date for full funding is June 30 ~~of the 25th year from the valuation date, 2042~~. In addition to other requirements of this chapter, the annual actuarial valuation must contain an exhibit indicating the funded ratio and the deficiency or sufficiency in annual contributions when comparing liabilities to the market value of the assets of the fund as of the close of the most recent fiscal year.

(k) For the general state employees retirement plan of the Minnesota State Retirement System, the established date for full funding is June 30, 2040.

(l) For the retirement plans for which the annual actuarial valuation indicates an excess of valuation assets over the actuarial accrued liability, the valuation assets in excess of the actuarial accrued liability must be recognized as a reduction in the current contribution requirements by an amount equal to the amortization of the excess expressed as a level percentage of pay over a 30-year period beginning anew with each annual actuarial valuation of the plan.

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

ARTICLE 8 MNSCU-RELATED PROVISIONS

Section 1. Minnesota Statutes 2012, section 136F.481, is amended to read:

136F.481 EARLY SEPARATION INCENTIVE PROGRAM.

(a) Notwithstanding any provision of law to the contrary, the Board of Trustees of the Minnesota State Colleges and Universities may offer a targeted early separation incentive program for its employees.

(b) The early separation incentive program may include one or both of the following:

(1) cash incentives, not to exceed one year of base salary; or

(2) employer contributions to the postretirement healthcare savings plan established under section 352.98.

(c) To be eligible to receive an incentive, an employee must be at least age 55 and must have at least five years of employment by the Minnesota State Colleges and Universities System. The board of trustees shall establish and periodically revise the eligibility requirements for system employees to receive an incentive. The board of trustees shall file a copy of its proposed revised eligibility requirements with the chairs and ranking members of the senate

committee ~~on~~ with higher education within its jurisdiction and the ~~Higher Education budget and Policy senate finance division of the senate Committee on Finance with higher education within its jurisdiction~~ and with the chair and ranking members of the ~~Higher Education and Workforce Development Finance and Policy Division of the Finance committee of in the house of representatives with higher education within its jurisdiction and of the house of representatives Committee on Ways and Means,~~ at least 30 days before ~~their~~ the final adoption of the proposed revised eligibility requirements by the board of trustees, shall post the same document on the system Web site at the same time, and shall hold a public hearing on the proposed eligibility requirements. The type and any additional amount of the incentive to be offered may vary by employee classification, as specified by the board.

(d) The president of a college or university, consistent with paragraphs (b) and (c), may designate:

(1) specific departments or programs at the college or university whose employees are eligible to be offered the incentive program; or

(2) positions at the college or university eligible to be offered the incentive program.

(e) The chancellor, consistent with paragraphs (b) and (c), may designate:

(1) system office divisions whose employees are eligible to be offered the incentive program; or

(2) positions at the system office eligible to be offered the incentive program.

(f) Acceptance of the offered incentive must be voluntary on the part of the employee and must be in writing. The incentive may only be offered at the sole discretion of the president of the applicable college or university.

(g) A decision by the president of a college or university or by the chancellor not to offer an incentive may not be challenged.

(h) The cost of the incentive is payable by the college or university on whose behalf the president offered the incentive or from the system office budget if the chancellor offered the incentive. If a college or university is merged, the remaining cost of any early separation incentive must be borne by the successor institution. If a college or university is closed, the remaining cost of any early separation incentive must be borne by the board of trustees.

(i) Annually, the chancellor and the president of each college or university must report on the number and types of early separation incentives which were offered and utilized under this section. The report must be filed annually with the board of trustees and with the Legislative Reference Library on or before September 1.

(j) The early retirement incentive authority under this section expires on June 30, 2019.

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

Sec. 2. Minnesota Statutes 2012, section 352.1155, subdivision 1, is amended to read:

Subdivision 1. **Eligibility.** Except as indicated in subdivision 4, the annuity reduction provisions of section 352.115, subdivision 10, do not apply to a person who:

(1) retires from the Minnesota State Colleges and Universities system with at least ten years of combined service credit in a system under the jurisdiction of the Board of Trustees of the Minnesota State Colleges and Universities;

(2) was employed on a full-time basis immediately preceding retirement as a faculty member or as an unclassified administrator in that system;

(3) was not a recipient of an early retirement incentive under section 136F.481;

~~(3)~~ (4) begins drawing an annuity from the general state employees retirement plan of the Minnesota State Retirement System; and

(4) (5) returns to work on not less than a one-third time basis and not more than a two-thirds time basis in the system from which the person retired under an agreement in which the person may not earn a salary of more than ~~\$46,000~~ \$62,000 in a calendar year ~~from~~ through employment after retirement in the system from which the person retired.

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 3. Minnesota Statutes 2012, section 352.1155, subdivision 4, is amended to read:

Subd. 4. **Exemption limit.** For a person eligible under this section who earns more than ~~\$46,000~~ \$62,000 in a calendar year ~~from~~ through reemployment in the Minnesota State Colleges and Universities system following retirement, the annuity reduction provisions of section 352.115, subdivision 10, apply only to income over ~~\$46,000~~ \$62,000.

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 4. Minnesota Statutes 2012, section 354.445, is amended to read:

354.445 NO ANNUITY REDUCTION.

(a) The annuity reduction provisions of section 354.44, subdivision 5, do not apply to a person who:

(1) retires from the Minnesota State Colleges and Universities system with at least ten years of combined service credit in a system under the jurisdiction of the Board of Trustees of the Minnesota State Colleges and Universities;

(2) was employed on a full-time basis immediately preceding retirement as a faculty member or as an unclassified administrator in that system;

(3) was not a recipient of an early retirement incentive under section 136F.481;

~~(3)~~ (4) begins drawing an annuity from the teachers retirement association; and

(4) (5) returns to work on not less than a one-third time basis and not more than a two-thirds time basis in the system from which the person retired under an agreement in which the person may not earn a salary of more than ~~\$46,000~~ \$62,000 in a calendar year ~~from~~ through employment after retirement in the system from which the person retired.

(b) Initial participation, the amount of time worked, and the duration of participation under this section must be mutually agreed upon by the president of the institution where the person returns to work and the employee. The president may require up to one-year notice of intent to participate in the program as a condition of participation under this section. The president shall determine the time of year the employee shall work. The employer or the president may not require a person to waive any rights under a collective bargaining agreement as a condition of participation under this section.

(c) Notwithstanding any law to the contrary, a person eligible under paragraphs (a) and (b) may not, based on employment to which the waiver in this section applies, earn further service credit in a Minnesota public defined benefit plan and is not eligible to participate in a Minnesota public defined contribution plan, other than a volunteer fire plan governed by chapter 424A. No employer or employee contribution to any of these plans may be made on behalf of such a person.

(d) For a person eligible under paragraphs (a) and (b) who earns more than ~~\$46,000~~ \$62,000 in a calendar year ~~from~~ through employment after retirement due to employment by the Minnesota state colleges and universities system, the annuity reduction provisions of section 354.44, subdivision 5, apply only to income over ~~\$46,000~~ \$62,000.

(e) A person who returns to work under this section is a member of the appropriate bargaining unit and is covered by the appropriate collective bargaining contract. Except as provided in this section, the person's coverage is subject to any part of the contract limiting rights of part-time employees.

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 5. Minnesota Statutes 2012, section 354A.31, subdivision 3a, is amended to read:

Subd. 3a. **No annuity reduction.** (a) The annuity reduction provisions of subdivision 3 do not apply to a person who:

(1) retires from the technical college system with at least ten years of service credit in the system from which the person retires;

(2) was employed on a full-time basis immediately preceding retirement as a technical college faculty member;

(3) was not a recipient of an early retirement incentive under section 136F.481;

~~(3)~~ (4) begins drawing an annuity from a first class city teachers retirement association; and

~~(4)~~ (5) returns to work on not less than a one-third time basis and not more than a two-thirds time basis in the technical college system under an agreement in which the person may not earn a salary of more than ~~\$46,000~~ \$62,000 in a calendar year ~~from~~ through the technical college system.

(b) Initial participation, the amount of time worked, and the duration of participation under this section must be mutually agreed upon by the employer and the employee. The employer may require up to a one-year notice of intent to participate in the program as a condition of participation under this section. The employer shall determine the time of year the employee shall work.

(c) Notwithstanding any law to the contrary, a person eligible under paragraphs (a) and (b) may not earn further service credit in a first class city teachers retirement association and is not eligible to participate in the individual retirement account plan or the supplemental retirement plan established in chapter 354B as a result of service under this section. No employer or employee contribution to any of these plans may be made on behalf of such a person.

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 6. Minnesota Statutes 2012, section 354B.21, subdivision 2, is amended to read:

Subd. 2. **Coverage; election.** (a) An eligible person employed by the board has the default coverage specified in subdivision 3, or other subdivisions of this section, whichever is applicable, and retains that coverage for the period of covered employment unless a timely election to change that coverage is made as specified in this section.

(b) An eligible person under subdivision 3, paragraph (b) or (c), is authorized to elect prospective Teachers Retirement Association plan coverage.

(c) An eligible person under subdivision 3, paragraph (d), is authorized to elect prospective coverage by the plan established by this chapter.

(d) The election under paragraph (a) must be made within one year of commencing eligible Minnesota State Colleges and Universities system employment. If an election is not made within the specified election period due to a termination of Minnesota State Colleges and Universities system employment, an election may be made within 90 days of returning to eligible Minnesota State Colleges and Universities system employment. Except as specified in paragraph (f), all elections are irrevocable.

(e) Except as provided in paragraph (f), a purchase of service credit in the Teachers Retirement Association plan for any period or periods of Minnesota State Colleges and Universities system employment occurring before the election under this section is prohibited.

(f) Notwithstanding other paragraphs in this subdivision, a faculty member who is a member of the individual retirement account plan may elect to transfer retirement coverage to the teachers retirement plan within one year of the faculty member first achieving tenure or its equivalent at a Minnesota state college or university. The faculty member electing Teachers Retirement Association coverage under this paragraph must purchase service credit in the Teachers Retirement Association for the entire period of time covered under the individual retirement account plan and the purchase payment amount must be determined under section 356.551. The Teachers Retirement Association may charge a faculty member transferring coverage a reasonable fee to cover the costs associated with computing the actuarial cost of purchasing service credit and making the transfer. A faculty member transferring from the individual retirement account plan to the Teachers Retirement Association may use any balances to the credit of the faculty member in the individual retirement account plan, any balances to the credit of the faculty member in the higher education supplemental retirement plan established under chapter 354C, or any source specified in section 356.441, subdivision 1, to purchase the service credit in the Teachers Retirement Association. If the total amount of payments under this paragraph are less than the total purchase payment amount under section 356.551, the payment amounts must be refunded to the applicable source. ~~The retirement coverage transfer and service credit purchase authority under this paragraph expires with respect to any Minnesota State Colleges and Universities System faculty initially hired after June 30, 2014.~~

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 7. Laws 2009, chapter 169, article 6, section 1, the effective date, is amended to read:

~~**EFFECTIVE DATE; SUNSET.** This section is effective the day following final enactment and expires June 30, 2014.~~

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

ARTICLE 9 POLICE AND FIREFIGHTER PENSION CHANGES

Section 1. Minnesota Statutes 2012, section 353.6511, subdivision 7, is amended to read:

Subd. 7. **Postretirement adjustments.** Effective January 1, 2012, service pensions and survivor benefits in force are entitled to be recomputed with the number of units specified in subdivision 2, subdivision 4, and subdivision 6. Optional annuities under Minnesota Statutes 2010, section 423C.05, subdivision 8, also are entitled to be recomputed as the actuarial equivalent of the service pensions and survivor benefits with the number of units specified in subdivision 2, subdivision 4, and subdivision 6. Retirement annuities, service pensions, disability benefits, and survivor benefits after December 31, 2015, are eligible for postretirement adjustments under section 356.415, subdivision 1c. The unit value for the calculation of a retirement annuity first payable after December 31,

2015, is the calendar year 2015 unit value, plus any annual postretirement adjustment percentage amount payable after December 31, 2015, under section 356.415, subdivision 1c, ~~payable after December 31, 2015, and before the date of retirement~~ paragraph (a), clause (1), or, when applicable, under section 356.415, subdivision 1c, paragraph (b), clause (1).

Sec. 2. Minnesota Statutes 2012, section 353.6512, subdivision 7, is amended to read:

Subd. 7. **Postretirement adjustments.** Retirement annuities, service pensions, disability benefits, and survivor benefits after December 31, 2015, are eligible for postretirement adjustments under section 356.415, subdivision 1c. The unit value for the calculation of a retirement annuity first payable after December 31, 2015, is the calendar year 2015 unit value, plus any annual postretirement adjustment percentage amount payable after December 31, 2015, under section 356.415, subdivision 1c, ~~payable after December 31, 2015, and before the date of retirement~~ paragraph (a), clause (1), or, when applicable, under section 356.415, subdivision 1c, paragraph (b), clause (1).

Sec. 3. Minnesota Statutes 2013 Supplement, section 423A.02, subdivision 3, is amended to read:

Subd. 3. **Reallocation of amortization state aid.** (a) Seventy percent of the difference between \$5,720,000 and the current year amortization aid distributed under subdivision 1 that is not distributed for any reason to a municipality must be distributed by the commissioner of revenue according to this paragraph. The commissioner shall distribute 50 percent of the amounts derived under this paragraph to the Teachers Retirement Association, ten percent to the Duluth Teachers Retirement Fund Association, and 40 percent to the St. Paul Teachers Retirement Fund Association to fund the unfunded actuarial accrued liabilities of the respective funds. These payments must be made on July 15 each fiscal year. If the St. Paul Teachers Retirement Fund Association or the Duluth Teachers Retirement Fund Association becomes fully funded, the association's eligibility for its portion of this aid ceases. Amounts remaining in the undistributed balance account at the end of the biennium if aid eligibility ceases cancel to the general fund.

(b) In order to receive amortization aid under paragraph (a), before June 30 annually Independent School District No. 625, St. Paul, must make an additional contribution of \$800,000 each year to the St. Paul Teachers Retirement Fund Association.

(c) Thirty percent of the difference between \$5,720,000 and the current year amortization aid under subdivision ~~4a~~ 1 that is not distributed for any reason to a municipality must be distributed under section 69.021, subdivision 7, paragraph (d), as additional funding to support a minimum fire state aid amount for volunteer firefighter relief associations.

EFFECTIVE DATE. This section is effective retroactively from July 1, 2013.

Sec. 4. Minnesota Statutes 2013 Supplement, section 423A.022, subdivision 2, is amended to read:

Subd. 2. **Allocation.** (a) Of the total amount appropriated as supplemental state aid:

(1) ~~58.065~~ 58.064 percent must be paid to the executive director of the Public Employees Retirement Association for deposit in the public employees police and fire retirement fund established by section 353.65, subdivision 1;

(2) 35.484 percent must be paid to municipalities other than municipalities solely employing firefighters with retirement coverage provided by the public employees police and fire retirement plan which qualified to receive fire state aid in that calendar year, allocated in proportion to the most recent amount of fire state aid paid under section 69.021, subdivision 7, for the municipality bears to the most recent total fire state aid for all municipalities other than the municipalities solely employing firefighters with retirement coverage provided by the public employees

police and fire retirement plan paid under section 69.021, subdivision 7, with the allocated amount for fire departments participating in the voluntary statewide lump-sum volunteer firefighter retirement plan paid to the executive director of the Public Employees Retirement Association for deposit in the fund established by section 353G.02, subdivision 3, and credited to the respective account and with the balance paid to the treasurer of each municipality for transmittal within 30 days of receipt to the treasurer of the applicable volunteer firefighter relief association for deposit in its special fund; and

(3) 6.452 percent must be paid to the executive director of the Minnesota State Retirement System for deposit in the state patrol retirement fund.

(b) For purposes of this section, the term "municipalities" includes independent nonprofit firefighting corporations that participate in the voluntary statewide lump-sum volunteer firefighter retirement plan under chapter 353G or with subsidiary volunteer firefighter relief associations operating under chapter 424A.

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

Sec. 5. Minnesota Statutes 2013 Supplement, section 423A.022, subdivision 3, is amended to read:

Subd. 3. **Reporting; definitions.** ~~(a)~~ On or before September 1, annually, the executive director of the Public Employees Retirement Association shall report to the commissioner of revenue the following:

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

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

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

(4) any other information requested by the commissioner to administer the police and firefighter retirement supplemental state aid program.

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

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

Sec. 6. **ADDITIONAL SUPPLEMENTAL AID REVISION FOR OMITTED 2013 INDEPENDENT NONPROFIT FIREFIGHTING CORPORATIONS.**

(a) Notwithstanding any provision of Minnesota Statutes, chapter 423A, to the contrary, this section modifies the allocation of the police and fire supplemental retirement state aid under Minnesota Statutes 2013 Supplement, section 423A.022, for October 1, 2014.

(b) Before the allocation of the police and fire supplemental retirement state aid is made for October 1, 2014, the commissioner of revenue shall:

(1) determine those fire departments that qualified for fire state aid under Minnesota Statutes 2012, section 69.021, subdivision 7, on October 1, 2013, that did not receive a 2013 allocation of police and fire supplemental retirement state aid, and that were an independent nonprofit firefighting corporation; and

(2) determine the amount of police and fire supplemental retirement state aid under Minnesota Statutes 2013 Supplement, section 423A.022, that the fire departments described in clause (1) would have received on October 1, 2013, if the fire departments had been included in that allocation.

(c) The total amount determined in paragraph (b), clause (2), must be deducted from the amount available for allocation under Minnesota Statutes 2013 Supplement, section 423A.022, subdivision 2, clause (2), and the commissioner of revenue shall pay to the fire departments determined in paragraph (b), clause (1), their respective portion of the total as an additional payment on October 1, 2014.

(d) The remaining amount after the deduction of the total amount under paragraph (c) must be allocated as provided in Minnesota Statutes, section 423A.022, subdivision 2.

Sec. 7. PERA; STUDY OF LOCAL RELIEF ASSOCIATION BENEFITS UNDER CONSOLIDATION.

The executive director of the Public Employees Retirement Association shall report to the Legislative Commission on Pensions and Retirement by February 1, 2015, regarding the situation of former members and surviving spouses of former members, as further specified in this section, of local salaried police and fire relief associations governed by Minnesota Statutes, chapter 423A, that consolidated with the public employees police and fire retirement plan under Minnesota Statutes, chapter 353A, and Laws 1999, chapter 222, article 4.

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

ARTICLE 10
ACTUARIAL ASSUMPTION CHANGES

Section 1. Minnesota Statutes 2013 Supplement, section 356.215, subdivision 8, is amended to read:

Subd. 8. **Interest and salary assumptions.** (a) The actuarial valuation must use the applicable following ~~preretirement~~ interest assumption and the applicable following ~~postretirement~~ interest assumption:

(1) select and ultimate interest rate assumption

plan	ultimate preretirement interest rate assumption	ultimate postretirement interest rate assumption
general state employees retirement plan	8.5%	6.0%
correctional state employees retirement plan	8.5	6.0
State Patrol retirement plan	8.5	6.0
legislators retirement plan, and for the constitutional officers calculation of total plan liabilities	0.0	0.0
judges retirement plan	8.5	6.0
general public employees retirement plan	8.5	6.0
public employees police and fire retirement plan	8.5	6.0
local government correctional service retirement plan	8.5	6.0

teachers retirement plan	8.5	6.0
Duluth teachers retirement plan	8.5	8.5
St. Paul teachers retirement plan	8.5	8.5

Except for the legislators retirement plan and the constitutional officers calculation of total plan liabilities, the select preretirement interest rate assumption for the period after June 30, 2012, through June 30, 2017, is 8.0 percent. ~~Except for the legislators retirement plan and the constitutional officers calculation of total plan liabilities, the select postretirement interest rate assumption for the period after June 30, 2012, through June 30, 2017, is 5.5 percent, except for the Duluth teachers retirement plan and the St. Paul teachers retirement plan, each with a select postretirement interest rate assumption for the period after June 30, 2012, through June 30, 2017, of 8.0 percent.~~

(2) single rate ~~preretirement and postretirement~~ interest rate assumption

plan	interest rate assumption
Bloomington Fire Department Relief Association	6.0
local monthly benefit volunteer firefighters relief associations	5.0

(b)(1) If funding stability has been attained, the valuation must reflect payment of the postretirement adjustment under section 354A.27, subdivision 7; 354A.29, subdivision 9; or 356.415, subdivision 1.

(2) If funding stability has not been attained, the actuary must estimate when a plan will attain the defined funding stability measure, assuming payment of the postretirement adjustment under section 354A.27, subdivision 7; 354A.29, subdivision 9; or 356.415, subdivision 1, and include in the annual actuarial valuation the liabilities of the plan assuming payment of the postretirement adjustment under section 354A.27, subdivision 7; 354A.29, subdivision 9; or 356.415, subdivision 1, for the applicable period or periods beginning when funding stability is projected to be attained.

~~(b)~~ (c) The actuarial valuation must use the applicable following single rate future salary increase assumption, the applicable following modified single rate future salary increase assumption, or the applicable following graded rate future salary increase assumption:

(1) single rate future salary increase assumption

plan	future salary increase assumption
legislators retirement plan	5.0%
judges retirement plan	3.0
Bloomington Fire Department Relief Association	4.0

(2) age-related future salary increase age-related select and ultimate future salary increase assumption or graded rate future salary increase assumption

plan	future salary increase assumption
local government correctional service retirement plan	assumption C
Duluth teachers retirement plan	assumption A
St. Paul teachers retirement plan	assumption B

For plans other than the Duluth teachers retirement plan, the select calculation is: during the designated select period, a designated percentage rate is multiplied by the result of the designated integer

minus T, where T is the number of completed years of service, and is added to the applicable future salary increase assumption. The designated select period is ten years and the designated integer is ten for the Duluth Teachers Retirement Fund Association and for the local government correctional service retirement plan and 15 for the St. Paul Teachers Retirement Fund Association. The designated percentage rate is 0.2 percent for the St. Paul Teachers Retirement Fund Association. The select calculation for the Duluth Teachers Retirement Fund Association is 8.00 percent per year for service years one through seven, 7.25 percent per year for service years seven and eight, and 6.50 percent per year for service years eight and nine.

The ultimate future salary increase assumption is:

age	A	B	C
16	6.00%	5.90%	9.00%
17	6.00	5.90	9.00
18	6.00	5.90	9.00
19	6.00	5.90	9.00
20	6.00	5.90	9.00
21	6.00	5.90	8.75
22	6.00	5.90	8.50
23	6.00	5.85	8.25
24	6.00	5.80	8.00
25	6.00	5.75	7.75
26	6.00	5.70	7.50
27	6.00	5.65	7.25
28	6.00	5.60	7.00
29	6.00	5.55	6.75
30	6.00	5.50	6.75
31	6.00	5.45	6.50
32	6.00	5.40	6.50
33	6.00	5.35	6.50
34	6.00	5.30	6.25
35	6.00	5.25	6.25
36	5.86	5.20	6.00
37	5.73	5.15	6.00
38	5.59	5.10	6.00
39	5.45	5.05	5.75
40	5.31	5.00	5.75
41	5.18	4.95	5.75
42	5.04	4.90	5.50
43	4.90	4.85	5.25
44	4.76	4.80	5.25
45	4.63	4.75	5.00
46	4.49	4.70	5.00
47	4.35	4.65	5.00
48	4.21	4.60	5.00
49	4.08	4.55	5.00

50	3.94	4.50	5.00
51	3.80	4.45	5.00
52	3.66	4.40	5.00
53	3.53	4.35	5.00
54	3.39	4.30	5.00
55	3.25	4.25	4.75
56	3.25	4.20	4.75
57	3.25	4.15	4.50
58	3.25	4.10	4.25
59	3.25	4.05	4.25
60	3.25	4.00	4.25
61	3.25	4.00	4.25
62	3.25	4.00	4.25
63	3.25	4.00	4.25
64	3.25	4.00	4.25
65	3.25	4.00	4.00
66	3.25	4.00	4.00
67	3.25	4.00	4.00
68	3.25	4.00	4.00
69	3.25	4.00	4.00
70	3.25	4.00	4.00

(3) service-related ultimate future salary increase assumption

general state employees retirement plan of the Minnesota State Retirement System	assumption A
general employees retirement plan of the Public Employees Retirement Association	assumption B
Teachers Retirement Association	assumption C
public employees police and fire retirement plan	assumption D
State Patrol retirement plan	assumption E
correctional state employees retirement plan of the Minnesota State Retirement System	assumption F

service length	A	B	C	D	E	F
1	10.50%	12.03%	12.00%	13.00%	8.00%	6.00%
2	8.10	8.90	9.00	11.00	7.50	5.85
3	6.90	7.46	8.00	9.00	7.00	5.70
4	6.20	6.58	7.50	8.00	6.75	5.55
5	5.70	5.97	7.25	6.50	6.50	5.40
6	5.30	5.52	7.00	6.10	6.25	5.25
7	5.00	5.16	6.85	5.80	6.00	5.10
8	4.70	4.87	6.70	5.60	5.85	4.95
9	4.50	4.63	6.55	5.40	5.70	4.80
10	4.40	4.42	6.40	5.30	5.55	4.65
11	4.20	4.24	6.25	5.20	5.40	4.55
12	4.10	4.08	6.00	5.10	5.25	4.45
13	4.00	3.94	5.75	5.00	5.10	4.35
14	3.80	3.82	5.50	4.90	4.95	4.25
15	3.70	3.70	5.25	4.80	4.80	4.15
16	3.60	3.60	5.00	4.80	4.65	4.05

17	3.50	3.51	4.75	4.80	4.50	3.95
18	3.50	3.50	4.50	4.80	4.35	3.85
19	3.50	3.50	4.25	4.80	4.20	3.75
20	3.50	3.50	4.00	4.80	4.05	3.75
21	3.50	3.50	3.90	4.70	4.00	3.75
22	3.50	3.50	3.80	4.60	4.00	3.75
23	3.50	3.50	3.70	4.50	4.00	3.75
24	3.50	3.50	3.60	4.50	4.00	3.75
25	3.50	3.50	3.50	4.50	4.00	3.75
26	3.50	3.50	3.50	4.50	4.00	3.75
27	3.50	3.50	3.50	4.50	4.00	3.75
28	3.50	3.50	3.50	4.50	4.00	3.75
29	3.50	3.50	3.50	4.50	4.00	3.75
30 or more	3.50	3.50	3.50	4.50	4.00	3.75

(e) (d) The actuarial valuation must use the applicable following payroll growth assumption for calculating the amortization requirement for the unfunded actuarial accrued liability where the amortization retirement is calculated as a level percentage of an increasing payroll:

plan	payroll growth assumption
general state employees retirement plan of the Minnesota State Retirement System	3.75%
correctional state employees retirement plan	3.75
State Patrol retirement plan	3.75
judges retirement plan	3.00
general employees retirement plan of the Public Employees Retirement Association	3.75
public employees police and fire retirement plan	3.75
local government correctional service retirement plan	3.75
teachers retirement plan	3.75
Duluth teachers retirement plan	3.50
St. Paul teachers retirement plan	4.00

(d) (e) The assumptions set forth in paragraphs (b) (c) and (e) (d) continue to apply, unless a different salary assumption or a different payroll increase assumption:

(1) has been proposed by the governing board of the applicable retirement plan;

(2) is accompanied by the concurring recommendation of the actuary retained under section 356.214, subdivision 1, if applicable, or by the approved actuary preparing the most recent actuarial valuation report if section 356.214 does not apply; and

(3) has been approved or deemed approved under subdivision 18.

EFFECTIVE DATE. This section is effective June 30, 2014, and applies to actuarial valuation reports prepared on or after that date.

Sec. 2. Minnesota Statutes 2012, section 356.215, subdivision 11, is amended to read:

Subd. 11. **Amortization contributions.** (a) In addition to the exhibit indicating the level normal cost, the actuarial valuation of the retirement plan must contain an exhibit for financial reporting purposes indicating the additional annual contribution sufficient to amortize the unfunded actuarial accrued liability and must contain an

exhibit for contribution determination purposes indicating the additional contribution sufficient to amortize the unfunded actuarial accrued liability. For the retirement plans listed in subdivision 8, paragraph (c), but excluding the MERF division of the Public Employees Retirement Association and the legislators retirement plan, the additional contribution must be calculated on a level percentage of covered payroll basis by the established date for full funding in effect when the valuation is prepared, assuming annual payroll growth at the applicable percentage rate set forth in subdivision 8, paragraph ~~(e)~~ (d). For all other retirement plans and for the MERF division of the Public Employees Retirement Association and the legislators retirement plan, the additional annual contribution must be calculated on a level annual dollar amount basis.

(b) For any retirement plan other than ~~the general state employees retirement plan of the Minnesota State Retirement System~~ or a retirement plan governed by paragraph (d), (e), (f), (g), (h), (i), ~~or (j)~~, or (k), if there has not been a change in the actuarial assumptions used for calculating the actuarial accrued liability of the fund, a change in the benefit plan governing annuities and benefits payable from the fund, a change in the actuarial cost method used in calculating the actuarial accrued liability of all or a portion of the fund, or a combination of the three, which change or changes by itself or by themselves without inclusion of any other items of increase or decrease produce a net increase in the unfunded actuarial accrued liability of the fund, the established date for full funding is the first actuarial valuation date occurring after June 1, 2020.

(c) For any retirement plan ~~other than the general employees retirement plan of the Public Employees Retirement Association~~, if there has been a change in any or all of the actuarial assumptions used for calculating the actuarial accrued liability of the fund, a change in the benefit plan governing annuities and benefits payable from the fund, a change in the actuarial cost method used in calculating the actuarial accrued liability of all or a portion of the fund, or a combination of the three, and the change or changes, by itself or by themselves and without inclusion of any other items of increase or decrease, produce a net increase in the unfunded actuarial accrued liability in the fund, the established date for full funding must be determined using the following procedure:

(i) the unfunded actuarial accrued liability of the fund must be determined in accordance with the plan provisions governing annuities and retirement benefits and the actuarial assumptions in effect before an applicable change;

(ii) the level annual dollar contribution or level percentage, whichever is applicable, needed to amortize the unfunded actuarial accrued liability amount determined under item (i) by the established date for full funding in effect before the change must be calculated using the interest assumption specified in subdivision 8 in effect before the change;

(iii) the unfunded actuarial accrued liability of the fund must be determined in accordance with any new plan provisions governing annuities and benefits payable from the fund and any new actuarial assumptions and the remaining plan provisions governing annuities and benefits payable from the fund and actuarial assumptions in effect before the change;

(iv) the level annual dollar contribution or level percentage, whichever is applicable, needed to amortize the difference between the unfunded actuarial accrued liability amount calculated under item (i) and the unfunded actuarial accrued liability amount calculated under item (iii) over a period of 30 years from the end of the plan year in which the applicable change is effective must be calculated using the applicable interest assumption specified in subdivision 8 in effect after any applicable change;

(v) the level annual dollar or level percentage amortization contribution under item (iv) must be added to the level annual dollar amortization contribution or level percentage calculated under item (ii);

(vi) the period in which the unfunded actuarial accrued liability amount determined in item (iii) is amortized by the total level annual dollar or level percentage amortization contribution computed under item (v) must be calculated using the interest assumption specified in subdivision 8 in effect after any applicable change, rounded to

the nearest integral number of years, but not to exceed 30 years from the end of the plan year in which the determination of the established date for full funding using the procedure set forth in this clause is made and not to be less than the period of years beginning in the plan year in which the determination of the established date for full funding using the procedure set forth in this clause is made and ending by the date for full funding in effect before the change; and

(vii) the period determined under item (vi) must be added to the date as of which the actuarial valuation was prepared and the date obtained is the new established date for full funding.

(d) For the MERF division of the Public Employees Retirement Association, the established date for full funding is June 30, 2031.

(e) For the general employees retirement plan of the Public Employees Retirement Association, the established date for full funding is June 30, 2031.

(f) For the Teachers Retirement Association, the established date for full funding is June 30, 2037.

(g) For the correctional state employees retirement plan of the Minnesota State Retirement System, the established date for full funding is June 30, 2038.

(h) For the judges retirement plan, the established date for full funding is June 30, 2038.

(i) For the public employees police and fire retirement plan, the established date for full funding is June 30, 2038.

(j) For the St. Paul Teachers Retirement Fund Association, the established date for full funding is June 30 of the 25th year from the valuation date. In addition to other requirements of this chapter, the annual actuarial valuation must contain an exhibit indicating the funded ratio and the deficiency or sufficiency in annual contributions when comparing liabilities to the market value of the assets of the fund as of the close of the most recent fiscal year.

(k) For the general state employees retirement plan of the Minnesota State Retirement System, the established date for full funding is June 30, 2040.

(l) For the retirement plans for which the annual actuarial valuation indicates an excess of valuation assets over the actuarial accrued liability, the valuation assets in excess of the actuarial accrued liability must be recognized as a reduction in the current contribution requirements by an amount equal to the amortization of the excess expressed as a level percentage of pay over a 30-year period beginning anew with each annual actuarial valuation of the plan.

EFFECTIVE DATE. This section is effective July 1, 2014, and applies to actuarial valuation results prepared on or after that date.

Sec. 3. **REPEALER.**

Minnesota Statutes 2012, section 356.415, subdivision 3, is repealed.

EFFECTIVE DATE. This section is effective June 30, 2014, and applies to actuarial valuation reports prepared on or after that date.

ARTICLE 11
POSTRETIREMENT ADJUSTMENT TRIGGER PROCEDURES

Section 1. Minnesota Statutes 2013 Supplement, section 354A.27, subdivision 6a, is amended to read:

Subd. 6a. **Postretirement adjustment transition.** (a) If the funded ratio of the retirement plan based on the actuarial value of assets is at least 90 percent as reported in the two most recent actuarial ~~valuation~~ valuations prepared under sections 356.214 and 356.215, this subdivision expires and subsequent postretirement adjustments are governed by subdivision 7.

(b) Each annuity or benefit recipient of the retirement plan who has been receiving that annuity or benefit for at least 12 months as of the applicable January 1 is eligible to receive a postretirement adjustment of one percent, payable on January 1.

EFFECTIVE DATE. This section is effective July 1, 2015, unless Minnesota Statutes, section 354A.27, subdivision 6a, is repealed by action of the 2014 legislature.

Sec. 2. Minnesota Statutes 2012, section 354A.29, subdivision 8, is amended to read:

Subd. 8. **Calculation of postretirement adjustments; transitional provision.** (a) For purposes of computing postretirement adjustments for eligible benefit recipients of the St. Paul Teachers Retirement Fund Association, the accrued liability funding ratio based on the actuarial value of assets of the plan as determined by the two most recent actuarial ~~valuation~~ valuations prepared under sections 356.214 and 356.215 determines the postretirement increase, as follows:

Funding ratio	Postretirement increase
Less than 80 percent	1 percent
At least 80 percent but less than 90 percent	2 percent

(b) The amount determined under paragraph (a) is the full postretirement increase to be applied as a permanent increase to the regular payment of each eligible member on January 1 of the next calendar year. For any eligible member whose effective date of benefit commencement occurred during the calendar year before the postretirement increase is applied, the full increase amount must be prorated on the basis of whole calendar quarters in benefit payment status in the calendar year prior to the January 1 on which the postretirement increase is applied, calculated to the third decimal place.

(c) If the accrued liability funding ratio based on the actuarial value of assets is at least 90 percent in two consecutive actuarial valuations, this subdivision expires and subsequent postretirement increases must be paid as specified in subdivision 9.

EFFECTIVE DATE. This section is effective July 1, 2015.

Sec. 3. Minnesota Statutes 2013 Supplement, section 356.415, subdivision 1a, is amended to read:

Subd. 1a. **Annual postretirement adjustments; Minnesota State Retirement System plans other than State Patrol retirement plan.** (a) Retirement annuity, disability benefit, or survivor benefit recipients of the legislators retirement plans, including constitutional officers as specified in chapter 3A, the general state employees retirement plan, the correctional state employees retirement plan, the unclassified state employees retirement program, and the judges retirement plan are entitled to a postretirement adjustment annually on January 1, as follows:

(1) a postretirement increase of two percent must be applied each year, effective on January 1, to the monthly annuity or benefit of each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least 18 full months before the January 1 increase; and

(2) for each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least six full months, an annual postretirement increase of 1/12 of two percent for each month that the person has been receiving an annuity or benefit must be applied, effective January 1, following the calendar year in which the person has been retired for at least six months, but has been retired for less than 18 months.

(b) The increases provided by this subdivision commence on January 1, 2011. Increases under this subdivision for the general state employees retirement plan, the correctional state employees retirement plan, or the judges retirement plan terminate on December 31 of the calendar year in which ~~the two prior consecutive~~ actuarial valuation valuations prepared by the approved actuary under sections 356.214 and 356.215 and the standards for actuarial work promulgated by the Legislative Commission on Pensions and Retirement indicates that the market value of assets of the retirement plan equals or exceeds 90 percent of the actuarial accrued liability of the retirement plan and increases under subdivision 1 recommence after that date. Increases under this subdivision for the legislators retirement plan or the elected state officers retirement plan terminate on December 31 of the calendar year in which the actuarial valuation prepared by the approved actuary under sections 356.214 and 356.215 and the standards for actuarial work promulgated by the Legislative Commission on Pensions and Retirement indicates that the market value of assets of the general state employees retirement plan equals or exceeds 90 percent of the actuarial accrued liability of the retirement plan and increases under subdivision 1 recommence after that date.

(c) An increase in annuity or benefit payments under this subdivision must be made automatically unless written notice is filed by the annuitant or benefit recipient with the executive director of the applicable covered retirement plan requesting that the increase not be made.

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 4. Minnesota Statutes 2012, section 356.415, subdivision 1d, is amended to read:

Subd. 1d. **Teachers Retirement Association annual postretirement adjustments.** (a) Retirement annuity, disability benefit, or survivor benefit recipients of the Teachers Retirement Association are entitled to a postretirement adjustment annually on January 1, as follows:

(1) for January 1, 2011, and January 1, 2012, no postretirement increase is payable;

(2) for January 1, 2013, and each successive January 1 until funding stability is restored, a postretirement increase of two percent must be applied each year, effective on January 1, to the monthly annuity or benefit amount of each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least 18 full months prior to the January 1 increase;

(3) for January 1, 2013, and each successive January 1 until funding stability is restored, for each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least six full months before the January 1 increase, an annual postretirement increase of 1/12 of two percent for each month the person has been receiving an annuity or benefit must be applied, effective January 1, for which the person has been retired for at least six months but less than 18 months;

(4) for each January 1 following the restoration of funding stability, a postretirement increase of 2.5 percent must be applied each year, effective January 1, to the monthly annuity or benefit amount of each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least 18 full months prior to the January 1 increase; and

(5) for each January 1 following the restoration of funding stability, for each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least six full months before the January 1 increase, an annual postretirement increase of 1/12 of 2.5 percent for each month the person has been receiving an annuity or benefit must be applied, effective January 1, for which the person has been retired for at least six months but less than 18 months.

(b) Funding stability is restored when the market value of assets of the Teachers Retirement Association equals or exceeds 90 percent of the actuarial accrued liabilities of the Teachers Retirement Association in the two most recent prior actuarial ~~valuation~~ valuations prepared under section 356.215 and the standards for actuarial work by the approved actuary retained by the Teachers Retirement Association under section 356.214.

(c) An increase in annuity or benefit payments under this section must be made automatically unless written notice is filed by the annuitant or benefit recipient with the executive director of the Teachers Retirement Association requesting that the increase not be made.

(d) The retirement annuity payable to a person who retires before becoming eligible for Social Security benefits and who has elected the optional payment as provided in section 354.35 must be treated as the sum of a period-certain retirement annuity and a life retirement annuity for the purposes of any postretirement adjustment. The period-certain retirement annuity plus the life retirement annuity must be the annuity amount payable until age 62, 65, or normal retirement age, as selected by the member at retirement, for an annuity amount payable under section 354.35. A postretirement adjustment granted on the period-certain retirement annuity must terminate when the period-certain retirement annuity terminates.

EFFECTIVE DATE. This section is effective July 1, 2015.

Sec. 5. Minnesota Statutes 2013 Supplement, section 356.415, subdivision 1e, is amended to read:

Subd. 1e. **Annual postretirement adjustments; State Patrol retirement plan.** (a) Retirement annuity, disability benefit, or survivor benefit recipients of the State Patrol retirement plan are entitled to a postretirement adjustment annually on January 1, as follows:

(1) a postretirement increase of one percent must be applied each year, effective on January 1, to the monthly annuity or benefit of each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least 18 full months before the January 1 increase; and

(2) for each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least six full months, an annual postretirement increase of 1/12 of one percent for each month that the person has been receiving an annuity or benefit must be applied, effective January 1, following the calendar year in which the person has been retired for at least six months, but has been retired for less than 18 months.

(b) The increases provided by this subdivision commence on January 1, 2014. Increases under paragraph (a) for the State Patrol retirement plan terminate on December 31 of the calendar year in which ~~the~~ two prior consecutive actuarial ~~valuation~~ valuations prepared by the approved actuary under sections 356.214 and 356.215 and the standards for actuarial work promulgated by the Legislative Commission on Pensions and Retirement indicates that the market value of assets of the retirement plan equals or exceeds 85 percent of the actuarial accrued liability of the retirement plan and increases under paragraph (c) recommence after that date.

(c) Retirement annuity, disability benefit, or survivor benefit recipients of the State Patrol retirement plan are entitled to a postretirement adjustment annually on January 1, as follows:

(1) a postretirement increase of 1.5 percent must be applied each year, effective on January 1, to the monthly annuity or benefit of each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least 18 full months before the January 1 increase; and

(2) for each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least six full months, an annual postretirement increase of 1/12 of 1.5 percent for each month that the person has been receiving an annuity or benefit must be applied, effective January 1, following the calendar year in which the person has been retired for at least six months, but has been retired for less than 18 months.

(d) Increases under paragraph (c) for the State Patrol retirement plan terminate on December 31 of the calendar year in which ~~the two prior consecutive~~ actuarial valuation valuations prepared by the approved actuary under sections 356.214 and 356.215 and the standards for actuarial work adopted by the Legislative Commission on Pensions and Retirement indicates that the market value of assets of the retirement plan equals or exceeds 90 percent of the actuarial accrued liability of the retirement plan and increases under subdivision 1 recommence after that date.

(e) An increase in annuity or benefit payments under this subdivision must be made automatically unless written notice is filed by the annuitant or benefit recipient with the executive director of the applicable covered retirement plan requesting that the increase not be made.

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 6. Minnesota Statutes 2013 Supplement, section 356.415, subdivision 1f, is amended to read:

Subd. 1f. **Annual postretirement adjustments; Minnesota State Retirement System judges retirement plan.**

(a) The increases provided under this subdivision begin on January 1, 2014, and are in lieu of increases under subdivision 1 or 1a for retirement annuity, disability benefit, or survivor benefit recipients of the judges retirement plan.

(b) Retirement annuity, disability benefit, or survivor benefit recipients of the judges retirement plan are entitled to a postretirement adjustment annually on January 1, as follows:

(1) a postretirement increase of 1.75 percent must be applied each year, effective on January 1, to the monthly annuity or benefit of each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least 18 full months before the January 1 increase; and

(2) for each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least six full months, an annual postretirement increase of 1/12 of 1.75 percent for each month that the person has been receiving an annuity or benefit must be applied, effective January 1, following the calendar year in which the person has been retired for at least six months, but has been retired for less than 18 months.

(c) Increases under this subdivision terminate on December 31 of the calendar year in which ~~the two prior consecutive~~ actuarial valuation valuations prepared by the approved actuary under sections 356.214 and 356.215 and the standards for actuarial work promulgated by the Legislative Commission on Pensions and Retirement indicates that the market value of assets of the judges retirement plan equals or exceeds 70 percent of the actuarial accrued liability of the retirement plan. Increases under subdivision 1 or 1a, whichever is applicable, begin on the January 1 next following that date.

(d) An increase in annuity or benefit payments under this subdivision must be made automatically unless written notice is filed by the annuitant or benefit recipient with the executive director of the applicable covered retirement plan requesting that the increase not be made.

EFFECTIVE DATE. This section is effective July 1, 2014.

ARTICLE 12 VOLUNTEER FIREFIGHTER RELIEF ASSOCIATION CHANGES

Section 1. Minnesota Statutes 2013 Supplement, section 69.051, subdivision 1a, is amended to read:

Subd. 1a. **Financial statement.** (a) The board of each volunteer firefighters relief association, as defined in section 424A.001, subdivision 4, that is not required to file a financial report and audit under subdivision 1 must prepare a detailed statement of the financial affairs for the preceding fiscal year of the relief association's special and general funds in the style and form prescribed by the state auditor. The detailed statement must show:

- (1) the sources and amounts of all money received;
- (2) all disbursements, accounts payable and accounts receivable;
- (3) the amount of money remaining in the treasury;
- (4) total assets, including a listing of all investments;
- (5) the accrued liabilities; and

(6) all other items necessary to show accurately the revenues and expenditures and financial position of the relief association.

(b) The detailed financial statement required under paragraph (a) must be certified by ~~an independent~~ a certified public accountant or ~~by the state auditor or by the auditor or accountant who regularly examines or audits the financial transactions of the municipality.~~ In addition to certifying the financial condition of the special and general funds of the relief association, the accountant or auditor conducting the examination shall give an opinion as to the condition of the special and general funds of the relief association, and shall comment upon any exceptions to the report. The ~~independent~~ accountant ~~or auditor~~ must have at least five years of public accounting, auditing, or similar experience, and must not be an active, inactive, or retired member of the relief association or the fire department.

(c) The detailed statement required under paragraph (a) must be countersigned by:

(1) the municipal clerk or clerk-treasurer of the municipality; or

(2) where applicable, by the municipal clerk or clerk-treasurer of the largest municipality in population which contracts with the independent nonprofit firefighting corporation if the relief association is a subsidiary of an independent nonprofit firefighting corporation and by the secretary of the independent nonprofit firefighting corporation; or

(3) by the chief financial official of the county in which the volunteer firefighter relief association is located or primarily located if the relief association is associated with a fire department that is not located in or associated with an organized municipality.

(d) The volunteer firefighters' relief association board must file the detailed statement required under paragraph (a) in the relief association office for public inspection and present it to the governing body of the municipality within 45 days after the close of the fiscal year, and must submit a copy of the detailed statement to the state auditor within 90 days of the close of the fiscal year.

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

Sec. 2. Minnesota Statutes 2013 Supplement, section 69.051, subdivision 3, is amended to read:

Subd. 3. **Report by certain municipalities; exceptions.** (a) The chief administrative officer of each municipality which has an organized fire department but which does not have a firefighters' relief association governed by section 69.77 or sections 424A.091 to 424A.095 and which is not exempted under paragraph (b) or (c) shall annually prepare a detailed financial report of the receipts and disbursements by the municipality for fire protection service during the preceding calendar year on a form prescribed by the state auditor. The financial report must contain any information which the state auditor deems necessary to disclose the sources of receipts and the purpose of disbursements for fire protection service. The financial report must be signed by the municipal clerk or clerk-treasurer of the municipality. The financial report must be filed by the municipal clerk or clerk-treasurer with

the state auditor on or before July 1 annually. The municipality does not qualify initially to receive, and is not entitled subsequently to retain, state aid under this chapter if the financial reporting requirement or the applicable requirements of this chapter or any other statute or special law have not been complied with or are not fulfilled.

(b) Each municipality that has an organized fire department and provides retirement coverage to its firefighters through the voluntary statewide lump-sum volunteer firefighter retirement plan under chapter 353G qualifies to have fire state aid transmitted to and retained in the statewide lump-sum volunteer firefighter retirement fund without filing a detailed financial report if the executive director of the Public Employees Retirement Association certifies compliance by the municipality with the requirements of sections 353G.04 and 353G.08, paragraph (e), and certifies conformity by the applicable fire chief with the requirements of section 353G.07.

(c) Each municipality qualifies to receive fire state aid under this chapter without filing a financial report under paragraph (a) if the municipality:

(1) has an organized fire department;

(2) does not have a volunteer firefighters relief association directly associated with its fire department;

(3) does not participate in the statewide lump-sum volunteer firefighter retirement plan under chapter 353G;

(4) provides retirement coverage to its firefighters through the public employees police and fire retirement plan under sections 353.63 to 353.68; and

(5) is certified by the executive director of the Public Employees Retirement Association to the state auditor to have had an employer contribution under section 353.65, subdivision 3, for its firefighters for the immediately prior calendar year equal to or greater than its fire state aid for the immediately prior calendar year.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to fire state aid payable on October 1, 2014.

Sec. 3. Minnesota Statutes 2012, section 356A.06, subdivision 7, is amended to read:

Subd. 7. **Expanded list of authorized investment securities.** (a) **Authority.** A covered pension plan not described by subdivision 6, paragraph (a), is an expanded list plan and shall invest its assets as specified in this subdivision. The governing board of an expanded list plan may select and appoint investment agencies to act for or on its behalf.

(b) **Securities generally; investment forms.** An expanded list plan is authorized to purchase, sell, lend, and exchange the investment securities authorized under this subdivision, including puts and call options and future contracts traded on a contract market regulated by a governmental agency or by a financial institution regulated by a governmental agency. These securities may be owned directly or through shares in exchange-traded or mutual funds, or as units in commingled trusts, subject to any limitations specified in this subdivision.

(c) **Government obligations.** An expanded list plan is authorized to invest funds in governmental bonds, notes, bills, mortgages, and other evidences of indebtedness if the issue is backed by the full faith and credit of the issuer or the issue is rated among the top four quality rating categories by a nationally recognized rating agency. The obligations in which funds may be invested under this paragraph are guaranteed or insured issues of:

(1) the United States, one of its agencies, one of its instrumentalities, or an organization created and regulated by an act of Congress;

(2) the Dominion of Canada or one of its provinces if the principal and interest are payable in United States dollars;

(3) a state or one of its municipalities, political subdivisions, agencies, or instrumentalities; and

(4) a United States government-sponsored organization of which the United States is a member if the principal and interest are payable in United States dollars.

(d) **Investment-grade corporate obligations.** An expanded list plan is authorized to invest funds in bonds, notes, debentures, transportation equipment obligations, or any other longer term evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States or any of its states, or the Dominion of Canada or any of its provinces if:

(1) the principal and interest are payable in United States dollars; and

(2) the obligations are rated among the top four quality categories by a nationally recognized rating agency.

(e) **Below-investment-grade corporate obligations.** An expanded list plan is authorized to invest in unrated corporate obligations or in corporate obligations that are not rated among the top four quality categories by a nationally recognized rating agency if:

(1) the aggregate value of these obligations does not exceed five percent of the covered pension plan's market value;

(2) the covered pension plan's participation is limited to 50 percent of a single offering subject to this paragraph; and

(3) the covered pension plan's participation is limited to 25 percent of an issuer's obligations subject to this paragraph.

(f) **Other obligations.** (1) An expanded list plan is authorized to invest funds in:

(i) bankers acceptances and deposit notes if issued by a United States bank that is rated in the highest four quality categories by a nationally recognized rating agency;

(ii) certificates of deposit if issued by a United States bank or savings institution rated in the highest four quality categories by a nationally recognized rating agency or whose certificates of deposit are fully insured by federal agencies, or if issued by a credit union in an amount within the limit of the insurance coverage provided by the National Credit Union Administration;

(iii) commercial paper if issued by a United States corporation or its Canadian subsidiary and if rated in the highest two quality categories by a nationally recognized rating agency;

(iv) mortgage securities and asset-backed securities if rated in the top four quality categories by a nationally recognized rating agency;

(v) repurchase agreements and reverse repurchase agreements if collateralized with letters of credit or securities authorized in this section;

(vi) guaranteed investment contracts if issued by an insurance company or a bank that is rated in the top four quality categories by a nationally recognized rating agency or alternative guaranteed investment contracts if the underlying assets comply with the requirements of this subdivision;

(vii) savings accounts if fully insured by a federal agency; and

(viii) guaranty fund certificates, surplus notes, or debentures if issued by a domestic mutual insurance company.

(2) Sections 16A.58, 16C.03, subdivision 4, and 16C.05 do not apply to certificates of deposit and collateralization agreements executed by the covered pension plan under clause (1), item (ii).

(3) In addition to investments authorized by clause (1), item (iv), an expanded list plan is authorized to purchase from the Minnesota Housing Finance Agency all or any part of a pool of residential mortgages, not in default, that has previously been financed by the issuance of bonds or notes of the agency. The covered pension plan may also enter into a commitment with the agency, at the time of any issue of bonds or notes, to purchase at a specified future date, not exceeding 12 years from the date of the issue, the amount of mortgage loans then outstanding and not in default that have been made or purchased from the proceeds of the bonds or notes. The covered pension plan may charge reasonable fees for any such commitment and may agree to purchase the mortgage loans at a price sufficient to produce a yield to the covered pension plan comparable, in its judgment, to the yield available on similar mortgage loans at the date of the bonds or notes. The covered pension plan may also enter into agreements with the agency for the investment of any portion of the funds of the agency. The agreement must cover the period of the investment, withdrawal privileges, and any guaranteed rate of return.

(g) **Corporate stocks.** An expanded list plan is authorized to invest in stocks or convertible issues of any corporation organized under the laws of the United States or any of its states, any corporation organized under the laws of the Dominion of Canada or any of its provinces, or any corporation listed on an exchange that is regulated by an agency of the United States or of the Canadian national government.

An investment in any corporation must not exceed five percent of the total outstanding shares of that corporation, except that an expanded list plan may hold up to 20 percent of the shares of a real estate investment trust and up to 20 percent of the shares of a closed mutual fund.

(h) **Other investments.** (1) In addition to the investments authorized in paragraphs (b) to (g), and subject to the provisions in clause (2), an expanded list plan is authorized to invest funds in:

(i) equity and debt investment businesses through participation in limited partnerships, trusts, private placements, limited liability corporations, limited liability companies, limited liability partnerships, and corporations;

(ii) real estate ownership interests or loans secured by mortgages or deeds of trust or shares of real estate investment trusts, through investment in limited partnerships, bank-sponsored collective funds, trusts, mortgage participation agreements, and insurance company commingled accounts, including separate accounts;

(iii) resource investments through limited partnerships, trusts, private placements, limited liability corporations, limited liability companies, limited liability partnerships, and corporations; and

(iv) international securities.

(2) The investments authorized in clause (1) must conform to the following provisions:

(i) the aggregate value of all investments made under clause (1), items (i), (ii), and (iii), may not exceed 35 percent of the market value of the fund for which the expanded list plan is investing;

(ii) there must be at least four unrelated owners of the investment other than the expanded list plan for investments made under clause (1), item (i), (ii), or (iii);

(iii) the expanded list plan's participation in an investment vehicle is limited to 20 percent thereof for investments made under clause (1), item (i), (ii), or (iii);

(iv) the expanded list plan's participation in a limited partnership does not include a general partnership interest or other interest involving general liability. The expanded list plan may not engage in any activity as a limited partner which creates general liability; ~~and~~

(v) the aggregate value of all unrated obligations and obligations that are not rated among the top four quality categories by a nationally recognized rating agency authorized by paragraph (f) and clause (1), item (iv), must not exceed five percent of the covered plan's market value; and

(vi) for volunteer firefighter relief associations, emerging market equity and international debt investments authorized under clause (1), item (iv), must not exceed 15 percent of the association's special fund market value.

(i) **Supplemental plan investments.** The governing body of an expanded list plan may certify assets to the State Board of Investment for investment under section 11A.17.

(j) **Asset mix limitations.** The aggregate value of an expanded list plan's investments under paragraphs (g) and (h) and equity investments under paragraph (i), regardless of the form in which these investments are held, must not exceed 85 percent of the covered plan's market value.

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

Sec. 4. Minnesota Statutes 2012, section 356A.06, subdivision 7a, is amended to read:

Subd. 7a. **Restrictions.** Any agreement to lend securities must be concurrently collateralized with cash or securities with a market value of not less than 100 percent of the market value of the loaned securities at the time of the agreement. For a covered pension authorized to purchase put and call options and futures contracts under subdivision 7, any agreement for put and call options and futures contracts may only be entered into with a fully offsetting amount of cash or securities. Only securities authorized by this section, excluding those under subdivision 7, paragraph ~~(g)~~ (h), clause (1), items (i) to (iv), may be accepted as collateral or offsetting securities.

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

Sec. 5. Minnesota Statutes 2012, section 424A.015, is amended by adding a subdivision to read:

Subd. 6. **Governing benefit plan provisions.** A service pension or ancillary benefit payable under this chapter is governed by and must be calculated under the general statute, special law, relief association articles of incorporation, and relief association bylaw provisions applicable on the date on which the member separated from active service with the fire department and active membership in the relief association.

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

Sec. 6. Minnesota Statutes 2012, section 424A.016, subdivision 4, is amended to read:

Subd. 4. **Individual accounts.** (a) An individual account must be established for each firefighter who is a member of the relief association.

(b) To each individual active member account must be credited an equal share of:

(1) any amounts of fire state aid received by the relief association;

(2) any amounts of municipal contributions to the relief association raised from levies on real estate or from other available municipal revenue sources exclusive of fire state aid; and

(3) any amounts equal to the share of the assets of the special fund to the credit of:

(i) any former member who terminated active service with the fire department to which the relief association is associated before meeting the minimum service requirement provided for in subdivision 2, paragraph (b), and has not returned to active service with the fire department for a period no shorter than five years; or

(ii) any retired member who retired before obtaining a full nonforfeitable interest in the amounts credited to the individual member account under subdivision 2, paragraph (b), and any applicable provision of the bylaws of the relief association. In addition, any investment return on the assets of the special fund must be credited in proportion to the share of the assets of the special fund to the credit of each individual active member account. Administrative expenses of the relief association payable from the special fund may be deducted from individual accounts in a manner specified in the bylaws of the relief association.

(c) If the bylaws so permit and as the bylaws define, the relief association may credit any investment return on the assets of the special fund to the accounts of inactive members.

(d) Amounts to be credited to individual accounts must be allocated uniformly for all years of active service and allocations must be made for all years of service, except for caps on service credit if so provided in the bylaws of the relief association. Amounts forfeited under paragraph (b), clause (3), before a resumption of active service and membership under section 424A.01, subdivision 6, remain forfeited and may not be reinstated upon the resumption of active service and membership. The allocation method may utilize monthly proration for fractional years of service, as the bylaws or articles of incorporation of the relief association so provide. The bylaws or articles of incorporation may define a "month," but the definition must require a calendar month to have at least 16 days of active service. If the bylaws or articles of incorporation do not define a "month," a "month" is a completed calendar month of active service measured from the member's date of entry to the same date in the subsequent month.

(e) At the time of retirement under subdivision 2 and any applicable provision of the bylaws of the relief association, a retiring member is entitled to that portion of the assets of the special fund to the credit of the member in the individual member account which is nonforfeitable under subdivision 3 and any applicable provision of the bylaws of the relief association based on the number of years of service to the credit of the retiring member.

(f) Annually, the secretary of the relief association shall certify the individual account allocations to the state auditor at the same time that the annual financial statement or financial report and audit of the relief association, whichever applies, is due under section 69.051.

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

Sec. 7. Minnesota Statutes 2013 Supplement, section 424A.016, subdivision 6, is amended to read:

Subd. 6. **Deferred service pensions.** (a) A member of a relief association is entitled to a deferred service pension if the member separates from active service and membership and has completed the minimum service and membership requirements in subdivision 2. The requirement that a member separate from active service and membership is waived for persons who have discontinued their volunteer firefighter duties and who are employed on a full-time basis under section 424A.015, subdivision 1.

(b) The deferred service pension is payable when the former member reaches at least age 50, or at least the minimum age specified in the bylaws governing the relief association if that age is greater than age 50, and when the former member makes a valid written application.

(c) A defined contribution relief association may, if its governing bylaws so provide, credit interest or additional investment performance on the deferred lump-sum service pension during the period of deferral. If provided for in the bylaws, the interest must be paid:

(1) at the investment performance rate actually earned on that portion of the assets if the deferred benefit amount is invested by the relief association in a separate account established and maintained by the relief association;

(2) at the investment performance rate actually earned on that portion of the assets if the deferred benefit amount is invested in a separate investment vehicle held by the relief association; or

(3) at the investment return on the assets of the special fund of the defined contribution volunteer firefighter relief association in proportion to the share of the assets of the special fund to the credit of each individual deferred member account through the accounting date on which the investment return is recognized by and credited to the special fund.

(d) Unless the bylaws of a relief association that has elected to pay interest or additional investment performance on deferred lump-sum service pensions under paragraph (c) specifies a different interest or additional investment performance method, including the interest or additional investment performance period starting date and ending date, the interest or additional investment performance on a deferred service pension is creditable as follows:

(1) for a relief association that has elected to pay interest or additional investment performance under paragraph (c), clause (1) or (3), beginning on the date that the member separates from active service and membership and ending on the accounting date immediately before the deferred member commences receipt of the deferred service pension; or

(2) for a relief association that has elected to pay interest or additional investment performance under paragraph (c), clause (2), beginning on the date that the member separates from active service and membership and ending on the date that the separate investment vehicle is valued immediately before the date on which the deferred member commences receipt of the deferred service pension.

~~(e) The deferred service pension is governed by and must be calculated under the general statute, special law, relief association articles of incorporation, and relief association bylaw provisions applicable on the date on which the member separated from active service with the fire department and active membership in the relief association.~~

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

Sec. 8. Minnesota Statutes 2012, section 424A.016, subdivision 7, is amended to read:

Subd. 7. **Limitation on ancillary benefits.** (a) A defined contribution relief association may only pay an ancillary benefit which would constitute an authorized disbursement as specified in section 424A.05. The ancillary benefit for active members must equal the vested and nonvested amount of the individual account of the member.

(b) For deferred members, the ancillary benefit must equal the vested amount of the individual account of the member. For the recipient of installment payments of a service pension, the ancillary benefit must equal the remaining balance in the individual account of the recipient.

(c) If the bylaws permit and as defined by the bylaws, the relief association may pay an ancillary benefit to, or on behalf of, a member who is not active or deferred.

(d) (1) If a survivor or death benefit is payable under the articles of incorporation or bylaws, the benefit must be paid:

- (i) as a survivor benefit to the surviving spouse of the deceased firefighter;
- (ii) as a survivor benefit to the surviving children of the deceased firefighter if no surviving spouse;
- (iii) as a survivor benefit to a designated beneficiary of the deceased firefighter if no surviving spouse or surviving children; or
- (iv) as a death benefit to the estate of the deceased active or deferred firefighter if no surviving spouse, no surviving children, and no beneficiary designated.

(2) If there are no surviving children, the surviving spouse may waive, in writing, wholly or partially, the spouse's entitlement to a survivor benefit.

~~(d)~~ (e) For purposes of this section, for a defined contribution volunteer fire relief association, a trust created under chapter 501B may be a designated beneficiary. If a trust payable to the surviving children organized under chapter 501B has been established as authorized by this section and there is no surviving spouse, the survivor benefit may be paid to the trust, notwithstanding the requirements of this section.

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

Sec. 9. Minnesota Statutes 2013 Supplement, section 424A.02, subdivision 3, is amended to read:

Subd. 3. **Flexible service pension maximums.** (a) Annually on or before August 1 as part of the certification of the financial requirements and minimum municipal obligation determined under section 424A.092, subdivision 4, or 424A.093, subdivision 5, as applicable, the secretary or some other official of the relief association designated in the bylaws of each defined benefit relief association shall calculate and certify to the governing body of the applicable ~~qualified~~ municipality the average amount of available financing per active covered firefighter for the most recent three-year period. The amount of available financing includes any amounts of fire state aid received or receivable by the relief association, any amounts of municipal contributions to the relief association raised from levies on real estate or from other available revenue sources exclusive of fire state aid, and one-tenth of the amount of assets in excess of the accrued liabilities of the relief association calculated under section 424A.092, subdivision 2; 424A.093, subdivisions 2 and 4; or 424A.094, subdivision 2, if any.

(b) The maximum service pension which the defined benefit relief association has authority to provide for in its bylaws for payment to a member retiring after the calculation date when the minimum age and service requirements specified in subdivision 1 are met must be determined using the table in paragraph (c) or (d), whichever applies.

(c) For a defined benefit relief association where the governing bylaws provide for a monthly service pension to a retiring member, the maximum monthly service pension amount per month for each year of service credited that may be provided for in the bylaws is the greater of the service pension amount provided for in the bylaws on the date of the calculation of the average amount of the available financing per active covered firefighter or the maximum service pension figure corresponding to the average amount of available financing per active covered firefighter:

Minimum Average Amount of Available Financing per Firefighter	Maximum Service Pension Amount Payable per Month for Each Year of Service
\$...	\$.25
41	.50
81	1.00
122	1.50

162	2.00
203	2.50
243	3.00
284	3.50
324	4.00
365	4.50
405	5.00
486	6.00
567	7.00
648	8.00
729	9.00
810	10.00
891	11.00
972	12.00
1053	13.00
1134	14.00
1215	15.00
1296	16.00
1377	17.00
1458	18.00
1539	19.00
1620	20.00
1701	21.00
1782	22.00
1823	22.50
1863	23.00
1944	24.00
2025	25.00
2106	26.00
2187	27.00
2268	28.00
2349	29.00
2430	30.00
2511	31.00
2592	32.00
2673	33.00
2754	34.00
2834	35.00
2916	36.00
2997	37.00
3078	38.00
3159	39.00
3240	40.00
3321	41.00
3402	42.00
3483	43.00
3564	44.00
3645	45.00
3726	46.00
3807	47.00
3888	48.00

3969	49.00
4050	50.00
4131	51.00
4212	52.00
4293	53.00
4374	54.00
4455	55.00
4536	56.00
Effective beginning December 31, 2008	
4617	57.00
4698	58.00
4779	59.00
4860	60.00
4941	61.00
5022	62.00
5103	63.00
5184	64.00
5265	65.00
Effective beginning December 31, 2009	
5346	66.00
5427	67.00
5508	68.00
5589	69.00
5670	70.00
5751	71.00
5832	72.00
5913	73.00
5994	74.00
Effective beginning December 31, 2010	
6075	75.00
6156	76.00
6237	77.00
6318	78.00
6399	79.00
6480	80.00
6561	81.00
6642	82.00
6723	83.00
Effective beginning December 31, 2011	
6804	84.00
6885	85.00
6966	86.00
7047	87.00
7128	88.00
7209	89.00
7290	90.00
7371	91.00
7452	92.00
Effective beginning December 31, 2012	
7533	93.00
7614	94.00

7695	95.00
7776	96.00
7857	97.00
7938	98.00
8019	99.00
8100	100.00
any amount in excess of 8100	100.00

(d) For a defined benefit relief association in which the governing bylaws provide for a lump-sum service pension to a retiring member, the maximum lump-sum service pension amount for each year of service credited that may be provided for in the bylaws is the greater of the service pension amount provided for in the bylaws on the date of the calculation of the average amount of the available financing per active covered firefighter or the maximum service pension figure corresponding to the average amount of available financing per active covered firefighter for the applicable specified period:

Minimum Average Amount of Available Financing per Firefighter	Maximum Lump-Sum Service Pension Amount Payable for Each Year of Service
\$...	\$10
11	20
16	30
23	40
27	50
32	60
43	80
54	100
65	120
77	140
86	160
97	180
108	200
131	240
151	280
173	320
194	360
216	400
239	440
259	480
281	520
302	560
324	600
347	640
367	680
389	720
410	760
432	800
486	900
540	1000
594	1100
648	1200

702	1300
756	1400
810	1500
864	1600
918	1700
972	1800
1026	1900
1080	2000
1134	2100
1188	2200
1242	2300
1296	2400
1350	2500
1404	2600
1458	2700
1512	2800
1566	2900
1620	3000
1672	3100
1726	3200
1753	3250
1780	3300
1820	3375
1834	3400
1888	3500
1942	3600
1996	3700
2023	3750
2050	3800
2104	3900
2158	4000
2212	4100
2265	4200
2319	4300
2373	4400
2427	4500
2481	4600
2535	4700
2589	4800
2643	4900
2697	5000
2751	5100
2805	5200
2859	5300
2913	5400
2967	5500
3021	5600
3075	5700
3129	5800
3183	5900
3237	6000

3291	6100
3345	6200
3399	6300
3453	6400
3507	6500
3561	6600
3615	6700
3669	6800
3723	6900
3777	7000
3831	7100
3885	7200
3939	7300
3993	7400
4047	7500
Effective beginning December 31, 2008	
4101	7600
4155	7700
4209	7800
4263	7900
4317	8000
4371	8100
4425	8200
4479	8300
Effective beginning December 31, 2009	
4533	8400
4587	8500
4641	8600
4695	8700
4749	8800
4803	8900
4857	9000
4911	9100
Effective beginning December 31, 2010	
4965	9200
5019	9300
5073	9400
5127	9500
5181	9600
5235	9700
5289	9800
5343	9900
5397	10,000
any amount in excess of	
5397	10,000

(e) For a defined benefit relief association in which the governing bylaws provide for a monthly benefit service pension as an alternative form of service pension payment to a lump-sum service pension, the maximum service pension amount for each pension payment type must be determined using the applicable table contained in this subdivision.

(f) If a defined benefit relief association establishes a service pension in compliance with the applicable maximum contained in paragraph (c) or (d) and the minimum average amount of available financing per active covered firefighter is subsequently reduced because of a reduction in fire state aid or because of an increase in the number of active firefighters, the relief association may continue to provide the prior service pension amount specified in its bylaws, but may not increase the service pension amount until the minimum average amount of available financing per firefighter under the table in paragraph (c) or (d), whichever applies, permits.

(g) No defined benefit relief association is authorized to provide a service pension in an amount greater than the largest applicable flexible service pension maximum amount even if the amount of available financing per firefighter is greater than the financing amount associated with the largest applicable flexible service pension maximum.

(h) The method of calculating service pensions must be applied uniformly for all years of active service. Credit must be given for all years of active service except for caps on service credit if so provided in the bylaws of the relief association.

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

Sec. 10. Minnesota Statutes 2013 Supplement, section 424A.02, subdivision 7, is amended to read:

Subd. 7. **Deferred service pensions.** (a) A member of a defined benefit relief association is entitled to a deferred service pension if the member separates from active service and membership and has completed the minimum service and membership requirements in subdivision 1. The requirement that a member separate from active service and membership is waived for persons who have discontinued their volunteer firefighter duties and who are employed on a full-time basis under section 424A.015, subdivision 1.

(b) The deferred service pension is payable when the former member reaches at least age 50, or at least the minimum age specified in the bylaws governing the relief association if that age is greater than age 50, and when the former member makes a valid written application.

(c) A defined benefit relief association that provides a lump-sum service pension governed by subdivision 3 may, when its governing bylaws so provide, pay interest on the deferred lump-sum service pension during the period of deferral. If provided for in the bylaws, interest must be paid in one of the following manners:

(1) at the investment performance rate actually earned on that portion of the assets if the deferred benefit amount is invested by the relief association in a separate account established and maintained by the relief association;

(2) at the investment performance rate actually earned on that portion of the assets if the deferred benefit amount is invested in a separate investment vehicle held by the relief association; or

(3) at an interest rate of up to five percent, compounded annually, as set by the board of trustees.

(d) Any change in the interest rate set by the board of ~~directors~~ trustees under paragraph (c), clause (3), must be ratified by the governing body of the municipality served by the fire department to which the relief association is directly associated, or by the independent nonprofit firefighting corporation, as applicable.

(e) Interest under paragraph (c), clause (3), is payable beginning on the January 1 next following the date on which the deferred service pension interest rate as set by the board of trustees was ratified by the governing body of the municipality served by the fire department to which the relief association is directly associated, or by the independent nonprofit firefighting corporation, as applicable.

(f) Unless the bylaws of a relief association that has elected to pay interest or additional investment performance on deferred lump-sum service pensions under paragraph (c) specifies a different interest or additional investment performance method, including the interest or additional investment performance period starting date and ending date, the interest or additional investment performance on a deferred service pension is creditable as follows:

(1) for a relief association that has elected to pay interest or additional investment performance under paragraph (c), clause (1) or (3), beginning on the first day of the month next following the date on which the member separates from active service and membership and ending on the last day of the month immediately before the month in which the deferred member commences receipt of the deferred service pension; or

(2) for a relief association that has elected to pay interest or additional investment performance under paragraph (c), clause (2), beginning on the date that the member separates from active service and membership and ending on the date that the separate investment vehicle is valued immediately before the date on which the deferred member commences receipt of the deferred service pension.

(g) For a deferred service pension that is transferred to a separate account established and maintained by the relief association or separate investment vehicle held by the relief association, the deferred member bears the full investment risk subsequent to transfer and in calculating the accrued liability of the volunteer firefighters relief association that pays a lump-sum service pension, the accrued liability for deferred service pensions is equal to the separate relief association account balance or the fair market value of the separate investment vehicle held by the relief association.

~~(h) The deferred service pension is governed by and must be calculated under the general statute, special law, relief association articles of incorporation, and relief association bylaw provisions applicable on the date on which the member separated from active service with the fire department and active membership in the relief association.~~

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

Sec. 11. Minnesota Statutes 2012, section 424A.05, subdivision 3, is amended to read:

Subd. 3. **Authorized disbursements from special fund.** Disbursements from the special fund may not be made for any purpose other than one of the following:

(1) for the payment of service pensions to retired members of the relief association if authorized and paid under law and the bylaws governing the relief association;

(2) for the purchase of an annuity for the applicable person under section 424A.015, subdivision 3, for the transfer of service pension or benefit amounts to the applicable person's individual retirement account under section 424A.015, subdivision 4, or to the applicable person's account in the Minnesota deferred compensation plan under section 424A.015, subdivision 5;

(3) for the payment of temporary or permanent disability benefits to disabled members of the relief association if authorized and paid under law and specified in amount in the bylaws governing the relief association;

(4) for the payment of survivor benefits or for the payment of a death benefit to the estate of the deceased active or deferred firefighter, if authorized and paid under law and specified in amount in the bylaws governing the relief association;

(5) for the payment of the fees, dues and assessments to the Minnesota State Fire Department Association and to the Minnesota ~~Area Relief~~ State Fire Chiefs Association Coalition in order to entitle relief association members to membership in and the benefits of these associations or organizations;

(6) for the payment of insurance premiums to the state Volunteer Firefighters Benefit Association, or an insurance company licensed by the state of Minnesota offering casualty insurance, in order to entitle relief association members to membership in and the benefits of the association or organization; and

(7) for the payment of administrative expenses of the relief association as authorized under section 69.80.

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

Sec. 12. Minnesota Statutes 2012, section 424A.08, is amended to read:

424A.08 MUNICIPALITY WITHOUT RELIEF ASSOCIATION; AUTHORIZED DISBURSEMENTS.

(a) Any ~~qualified~~ municipality which is entitled to receive fire state aid but which has no volunteer firefighters' relief association directly associated with its fire department and which has no full-time firefighters with retirement coverage by the public employees police and fire retirement plan shall deposit the fire state aid in a special account established for that purpose in the municipal treasury. Disbursement from the special account may not be made for any purpose except:

(1) payment of the fees, dues and assessments to the Minnesota State Fire Department Association and to the state Volunteer Firefighters' Benefit Association in order to entitle its firefighters to membership in and the benefits of these state associations;

(2) payment of the cost of purchasing and maintaining needed equipment for the fire department; and

(3) payment of the cost of construction, acquisition, repair, or maintenance of buildings or other premises to house the equipment of the fire department.

(b) A ~~qualified~~ municipality which is entitled to receive fire state aid, which has no volunteer firefighters' relief association directly associated with its fire department, which does not participate in the voluntary statewide lump-sum volunteer firefighter retirement plan under chapter 353G, and which has full-time firefighters with retirement coverage by the public employees police and fire retirement plan may disburse the fire state aid as provided in paragraph (a), for the payment of the employer contribution requirement with respect to firefighters covered by the public employees police and fire retirement plan under section 353.65, subdivision 3, or for a combination of the two types of disbursements.

(c) A municipality that has no volunteer firefighters' relief association directly associated with it and that participates in the voluntary statewide lump-sum volunteer firefighter retirement plan under chapter 353G shall transmit any fire state aid that it receives to the voluntary statewide lump-sum volunteer firefighter retirement fund.

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

Sec. 13. Minnesota Statutes 2013 Supplement, section 424A.092, subdivision 6, is amended to read:

Subd. 6. **Municipal ratification for plan amendments.** If the special fund of the relief association does not have a surplus over full funding under subdivision 3, paragraph (c), clause (5), and if the municipality is required to provide financial support to the special fund of the relief association under this section, the adoption of or any amendment to the articles of incorporation or bylaws of a relief association which increases or otherwise affects the retirement coverage provided by or the service pensions or retirement benefits payable from the special fund of any relief association to which this section applies is not effective until it is ratified by the governing body of the municipality ~~in which the relief association is located~~ served by the fire department to which the relief association is directly associated or by the independent nonprofit firefighting corporation, as applicable, and the officers of a relief

association shall not seek municipal ratification prior to preparing and certifying an estimate of the expected increase in the accrued liability and annual accruing liability of the relief association attributable to the amendment. If the special fund of the relief association has a surplus over full funding under subdivision 3, paragraph (c), clause (5), and if the municipality is not required to provide financial support to the special fund of the relief association under this section, the relief association may adopt or amend its articles of incorporation or bylaws which increase or otherwise affect the retirement coverage provided by or the service pensions or retirement benefits payable from the special fund of the relief association which are effective without municipal ratification so long as this does not cause the amount of the resulting increase in the accrued liability of the special fund of the relief association to exceed 90 percent of the amount of the surplus over full funding reported in the prior year and this does not result in the financial requirements of the special fund of the relief association exceeding the expected amount of the future fire state aid to be received by the relief association as determined by the board of trustees following the preparation of an estimate of the expected increase in the accrued liability and annual accruing liability of the relief association attributable to the change. If a relief association adopts or amends its articles of incorporation or bylaws without municipal ratification under this subdivision, and, subsequent to the amendment or adoption, the financial requirements of the special fund of the relief association under this section are such so as to require financial support from the municipality, the provision which was implemented without municipal ratification is no longer effective without municipal ratification and any service pensions or retirement benefits payable after that date may be paid only in accordance with the articles of incorporation or bylaws as amended or adopted with municipal ratification.

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

Sec. 14. Minnesota Statutes 2013 Supplement, section 424A.093, subdivision 2, is amended to read:

Subd. 2. **Determination of actuarial condition and funding costs.** A relief association to which this section applies shall obtain an actuarial valuation showing the condition of the special fund of the relief association as of December 31, 1978, and at least as of December 31 every four years thereafter. The valuation shall be prepared in accordance with the provisions of sections 356.215, subdivision 8, and 356.216 and any applicable standards for actuarial work established by the Legislative Commission on Pensions and Retirement, except that the figure for normal cost shall be expressed as a level dollar amount, and the amortization contribution shall be the level dollar amount calculated to amortize any current unfunded accrued liability by at least the date of full funding specified in subdivision 4, clause (b). Each valuation shall be filed with the governing body of the municipality ~~in which the relief association is located~~ served by the fire department to which the relief association is directly associated or by the independent nonprofit firefighting corporation, as applicable, and with the state auditor, not later than July 1 of the year next following the date as of which the actuarial valuation is prepared. Any relief association which is operating under a special law which requires that actuarial valuations be obtained at least every four years and be prepared in accordance with applicable actuarial standards set forth in statute may continue to have actuarial valuations made according to the time schedule set forth in the special legislation subject to the provisions of subdivision 3.

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

Sec. 15. Minnesota Statutes 2013 Supplement, section 424A.093, subdivision 6, is amended to read:

Subd. 6. **Municipal ratification for plan amendments.** If the special fund of the relief association does not have a surplus over full funding under subdivision 4, and if the municipality is required to provide financial support to the special fund of the relief association under this section, the adoption of or any amendment to the articles of incorporation or bylaws of a relief association which increases or otherwise affects the retirement coverage provided by or the service pensions or retirement benefits payable from the special fund of any relief association to which this section applies is not effective until it is ratified by the governing body of the municipality ~~in which the relief association is located~~ served by the fire department to which the relief association is directly associated or by the independent nonprofit firefighting corporation, as applicable. If the special fund of the relief association has a

surplus over full funding under subdivision 4, and if the municipality is not required to provide financial support to the special fund of the relief association under this section, the relief association may adopt or amend its articles of incorporation or bylaws which increase or otherwise affect the retirement coverage provided by or the service pensions or retirement benefits payable from the special fund of the relief association which are effective without municipal ratification so long as this does not cause the amount of the resulting increase in the accrued liability of the special fund of the relief association to exceed 90 percent of the amount of the surplus over full funding reported in the prior year and this does not result in the financial requirements of the special fund of the relief association exceeding the expected amount of the future fire state aid to be received by the relief association as determined by the board of trustees following the preparation of an updated actuarial valuation including the proposed change or an estimate of the expected actuarial impact of the proposed change prepared by the actuary of the relief association. If a relief association adopts or amends its articles of incorporation or bylaws without municipal ratification pursuant to this subdivision, and, subsequent to the amendment or adoption, the financial requirements of the special fund of the relief association under this section are such so as to require financial support from the municipality, the provision which was implemented without municipal ratification is no longer effective without municipal ratification and any service pensions or retirement benefits payable after that date may be paid only in accordance with the articles of incorporation or bylaws as amended or adopted with municipal ratification.

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

Sec. 16. Minnesota Statutes 2013 Supplement, section 424A.094, subdivision 2, is amended to read:

Subd. 2. **Determination of actuarial condition and funding costs.** Each independent nonprofit firefighting corporation to which this section applies shall determine the actuarial condition and the funding costs of the subsidiary relief association using the following procedure:

(1) An independent nonprofit firefighting corporation which has a subsidiary relief association which pays a monthly benefit service pension shall procure an actuarial valuation of the special fund of the subsidiary relief association at the same times and in the same manner as specified in section 424A.093, subdivisions 2 and 3, and an independent nonprofit firefighting corporation which has a subsidiary relief association which pays a lump-sum service pension shall determine the accrued liability of the special fund of the relief association in accordance with section 424A.092, subdivision 2.

(2) The financial requirements of the special fund of the subsidiary relief association which pays a monthly benefit service pension shall be determined in the same manner as specified in section 424A.093, subdivision 4, and the financial requirements of the special fund of the subsidiary relief association shall be determined in the same manner as specified in section 424A.092, subdivision 3.

(3) The minimum obligation of the independent nonprofit firefighting corporation on behalf of the special fund of the subsidiary relief association shall be determined in the same manner as specified in section 424A.092, subdivision 4, or 424A.093, subdivision 5, as applicable.

(4) The independent nonprofit firefighting corporation shall appropriate annually from the income of the corporation an amount at least equal to the minimum obligation of the independent nonprofit firefighting corporation on behalf of the special fund of the subsidiary relief association.

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

Sec. 17. Minnesota Statutes 2013 Supplement, section 424A.10, subdivision 2, is amended to read:

Subd. 2. **Payment of supplemental benefit.** (a) Upon the payment by a volunteer firefighters' relief association or by the voluntary statewide lump-sum volunteer firefighter retirement plan of a lump-sum distribution to a qualified recipient, the association must pay a supplemental benefit to the qualified recipient. Notwithstanding any

law to the contrary, the relief association must pay the supplemental benefit out of its special fund and the voluntary statewide lump-sum volunteer firefighter retirement plan must pay the supplemental benefit out of the voluntary statewide lump-sum volunteer firefighter retirement plan. This benefit is an amount equal to ten percent of the regular lump-sum distribution that is paid on the basis of the recipient's service as a volunteer firefighter. In no case may the amount of the supplemental benefit exceed \$1,000. A supplemental benefit under this paragraph may not be paid to a survivor of a deceased active or deferred volunteer firefighter in that capacity.

(b) Upon the payment by a relief association or the retirement plan of a lump-sum survivor benefit to a survivor of a deceased active volunteer firefighter or of a deceased deferred volunteer firefighter, the association must pay a supplemental survivor benefit to the survivor of the deceased active or deferred volunteer firefighter from the special fund of the relief association and the retirement plan must pay a supplemental survivor benefit to the survivor of the deceased active or deferred volunteer firefighter from the retirement fund if chapter 353G so provides. The amount of the supplemental survivor benefit is 20 percent of the survivor benefit, but not to exceed \$2,000.

(c) For purposes of this section, the term "regular lump-sum distribution" means the pretax lump-sum distribution excluding any interest that may have been credited during a volunteer firefighter's period of deferral.

(d) An individual may receive a supplemental benefit under paragraph (a) or under paragraph (b), but not under both paragraphs with respect to one lump-sum volunteer firefighter benefit.

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

Sec. 18. Minnesota Statutes 2012, section 424B.12, is amended to read:

424B.12 MIXED CONSOLIDATING RELIEF ASSOCIATIONS; BENEFIT PLAN; FUNDING.

Subdivision 1. **Applicability.** This section applies where one or more of the volunteer firefighters' relief associations involved in the consolidation are defined benefit relief associations as defined in section 424A.001, subdivision 1b, and one or more of the volunteer firefighters' relief associations involved in the consolidation are defined contribution relief associations as defined in section 424A.001, subdivision 1c.

Subd. 2. **Benefit plan.** The articles of incorporation or bylaws of the successor relief association must specify whether the relief association is a defined benefit relief association or whether the relief association is a defined contribution relief association. If the successor relief association is a defined benefit relief association, the relief association benefits must comply with sections 424A.02 and ~~424B.11, subdivision 1a~~ 424B.10. If the successor relief association is a defined contribution relief association, the relief association must comply with sections 424A.016 and ~~424B.12~~ 424B.11, subdivision 2.

Subd. 3. **Funding.** If the successor relief association is a defined benefit relief association, the relief association funding is governed by section ~~424B.11~~ 424B.10, subdivision 2. If the successor relief association is a defined contribution relief association, the relief association funding is governed by section ~~424B.12~~ 424B.11, subdivision 3.

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

ARTICLE 13 MISCELLANEOUS RETIREMENT PROVISIONS

Section 1. Minnesota Statutes 2012, section 11A.17, subdivision 1, is amended to read:

Subdivision 1. **Purpose; accounts; continuation.** (a) The purpose of the supplemental investment fund is to provide an investment vehicle for the assets of various public retirement plans and funds.

(b) ~~The fund consists of eight investment accounts: an income share account, a growth share account, an international share account, a money market account, a fixed interest account, a bond market account, a common stock index account, and a volunteer firefighter account. The state board shall determine and make available investment accounts within the supplemental investment fund. These accounts shall include an appropriate array of diversified investment options for participants of the public retirement plans under subdivision 5.~~

(c) ~~The assets of the supplemental investment fund is a continuation of the supplemental retirement fund in existence on January 1, 1980 must be invested by the state board in types of investments permitted under section 11A.24.~~

(d) ~~The state board shall make available a volunteer firefighter account for the voluntary statewide lump-sum volunteer firefighter retirement plan under section 353G.02.~~

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 2. Minnesota Statutes 2012, section 11A.17, subdivision 9, is amended to read:

Subd. 9. **Valuation of investment shares.** ~~(a) The value of investment shares in the income share account, the growth share account, the international share account, the bond market account, and the common stock index for each investment account, excluding a money market account, must be determined by dividing the total market value of the securities constituting the respective account by the total number of shares then outstanding in the investment account.~~

~~(b) The value of investment shares in the a money market account and the fixed interest account is must be \$1 a share. Terms as to withdrawal schedules will be agreed upon by the public retirement fund and the state board.~~

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 3. Minnesota Statutes 2012, section 352.115, subdivision 8, is amended to read:

Subd. 8. **Accrual of annuity.** ~~State employees shall apply for an annuity. The application for an annuity must not be made more than 90 60 days before the time the state employee is eligible to retire by reason of both age and service requirements or former state employee elects to begin collecting a retirement annuity. If the director determines an applicant for annuity has fulfilled the legal requirements for an annuity, the director shall authorize the annuity payment in accordance with this chapter and payment must be made as authorized. An annuity shall begin to accrue no earlier than 180 days before the date the application is filed with the director, but not before the day following the termination of state service or before the day the employee is eligible to retire by reason of both age and service requirements. The retirement annuity shall cease with the last payment which had accrued during the lifetime of the retired employee unless an optional annuity provided in section 352.116, subdivision 3, had been selected and had become payable. The joint and last survivor annuity shall cease with the last payment received by the survivor during the lifetime of the survivor. If a retired employee had not selected an optional annuity, or a survivor annuity is not payable under the option, and a spouse survives, the spouse is entitled only to the annuity for the calendar month in which the retired employee died. If an optional annuity is payable after the death of the retired employee, the survivor is entitled to the annuity for the calendar month in which the retired employee died.~~

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 4. Minnesota Statutes 2012, section 352.115, subdivision 10, is amended to read:

Subd. 10. **Reemployment of annuitant.** (a) Except for salary or wages received as a temporary employee of the legislature during a legislative session, if any retired employee again becomes entitled to receive salary or wages from any employer who employs state employees as that term is defined in section 352.01, subdivision 2, in a

position covered by this chapter, the annuity or retirement allowance must cease ~~when~~ the first of the month following the month that the retired employee has earned an amount equal to the annual maximum earnings allowable for that age for the continued receipt of full benefit amounts monthly under the federal old age, survivors, and disability insurance program as set by the secretary of health and human services under United States Code, title 42, section 403, in any calendar year. If the retired employee has not yet reached the minimum age for the receipt of Social Security benefits, the maximum earnings for the retired employee are equal to the annual maximum earnings allowable for the minimum age for the receipt of Social Security benefits.

(b) The balance of the annual retirement annuity after cessation must be handled or disposed of as provided in section 356.47.

(c) The annuity must be resumed ~~when~~ the first of the month following the month that state service ends, or, if the retired employee is still employed at the beginning of the next calendar year, at the beginning of that calendar year, and payment must again end when the retired employee has earned the applicable reemployment earnings maximum specified in this subdivision. If the retired employee is granted a sick leave without pay, but not otherwise, the annuity or retirement allowance must be resumed during the period of sick leave.

(d) No payroll deductions for the retirement fund may be made from the earnings of a reemployed retired employee.

(e) No change may be made in the monthly amount of an annuity or retirement allowance because of the reemployment of an annuitant.

(f) If a reemployed annuitant whose annuity is suspended under paragraph (a) is having insurance premium amounts withheld under section 356.87, subdivision 2, insurance premium amounts must continue to be withheld and transferred from the suspended portion of the annuity. The balance of the annual retirement annuity after cessation, after deduction of the insurance premium amounts, must be treated as specified in paragraph (b).

(g) If a reemployed annuitant whose annuity is suspended under paragraph (a) has a former spouse receiving a portion of the annuity allowable under section 518.58, subdivision 1, the portion payable to the former spouse must continue to be paid.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2014.

Sec. 5. Minnesota Statutes 2012, section 352.965, subdivision 4, is amended to read:

Subd. 4. **Plan investments.** ~~(a) Available investments under the plan may include: are those investments chosen by the State Board of Investment under section 356.645 for the plan.~~

~~(1) shares in the Minnesota supplemental investment fund established in section 11A.17 that are selected to be offered under the plan by the State Board of Investment;~~

~~(2) saving accounts in federally insured financial institutions;~~

~~(3) life insurance contracts, fixed annuity, and variable annuity contracts from companies that are subject to regulation by the commissioner of commerce;~~

~~(4) investment options from open-end investment companies registered under the federal Investment Company Act of 1940, United States Code, title 15, sections 80a-1 to 80a-64;~~

~~(5) investment options from a firm that is a registered investment advisor under the Investment Advisers Act of 1940, United States Code, title 15, sections 80b-1 to 80b-21;~~

~~(6) investment options of a bank as defined in United States Code, title 15, section 80b-2, subsection (a), paragraph (2), or a bank holding company as defined in the Bank Holding Company Act of 1956, United States Code, title 12, section 1841, subsection (a), paragraph (1); or~~

~~(7) a combination of clause (1), (2), (3), (4), (5), or (6), as provided by the plan as specified by the participant.~~

~~(b) All amounts contributed to the deferred compensation plan and all earnings on those amounts must be held for the exclusive benefit of the plan participants and beneficiaries. These amounts must be held in trust, in custodial accounts, or in qualifying annuity contracts as required by federal law in accordance with section 356A.06, subdivision 1. This subdivision does not authorize an employer contribution, except as authorized in section 356.24, subdivision 1, paragraph (a), clause (5). The state, political subdivision, or other employing unit is not responsible for any loss that may result from investment of the deferred compensation.~~

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 6. Minnesota Statutes 2012, section 352.965, is amended by adding a subdivision to read:

Subd. 4a. **Exclusive benefit.** All amounts contributed to the deferred compensation plan and all earnings on those amounts must be held for the exclusive benefit of the plan participants and beneficiaries. These amounts must be held in trust, in custodial accounts, or in qualifying annuity contracts as required by federal law in accordance with section 356A.06, subdivision 1.

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 7. Minnesota Statutes 2012, section 352.965, is amended by adding a subdivision to read:

Subd. 4b. **Employer contribution prohibition.** Except as authorized in section 356.24, subdivision 1, clause (5), employer contributions are prohibited.

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 8. Minnesota Statutes 2012, section 352.98, subdivision 2, is amended to read:

Subd. 2. **Contracting authorized.** (a) The executive director shall administer the plan and contract with public and private entities to provide investment services, record keeping, benefit payments, and other functions necessary for the administration of the plan. ~~If allowed by~~

(b) As specified in section 356.645, the Minnesota State Board of Investment, ~~the Minnesota State Board of Investment supplemental investment funds may be offered as~~ shall determine an appropriate selection of investment options ~~under that shall be offered by~~ the health care savings plan ~~or plans.~~

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 9. Minnesota Statutes 2012, section 352D.04, is amended by adding a subdivision to read:

Subd. 1a. **State Board of Investment selection of investment products.** As specified in section 356.645, the State Board of Investment shall select investment products to be available to participants in the retirement program provided by this chapter.

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 10. Minnesota Statutes 2012, section 352D.04, is amended by adding a subdivision to read:

Subd. 1b. **Participant selection of investments.** (a) A program participant may elect to participate in one or more of the investment products made available under the program by specifying the percentage of the participant's contributions under subdivision 2 to be used to purchase shares in the applicable products.

(b) Before making an allocation election, or if the participant fails to specify an allocation, the executive director shall, on behalf of that participant, purchase shares in a default investment alternative. The investment alternative must be specified by the Minnesota State Retirement System Board from the available investment options authorized under subdivision 1a.

(c) A participant may revise the investment allocation for subsequent purchase of shares, and a participant or former participant may also change the investment options selected for all or a portion of shares previously purchased.

(d) Any investment allocation selection authorized under this subdivision, whether relating to subsequent purchases of new shares or reallocating the existing portfolio, must be conducted at times and under procedures prescribed by the executive director. Any allocation or allocation revisions are effective at the end of the most recent United States investment market day, unless subject to trading restrictions imposed on certain investment options.

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 11. Minnesota Statutes 2012, section 353.27, subdivision 4, is amended to read:

Subd. 4. **Employer reporting requirements; contributions; member status.** (a) A representative authorized by the head of each department shall deduct employee contributions from the salary of each public employee who qualifies for membership in the general employees retirement plan of the Public Employees Retirement Association or in the public employees police and fire retirement plan under this chapter or chapter 353D or 353E at the rate under section 353.27, 353.65, 353D.03, or 353E.03, whichever is applicable, that is in effect on the date the salary is paid. The employer representative must also remit payment in a manner prescribed by the executive director for the aggregate amount of the employee contributions and the required employer contributions to be received by the association within 14 calendar days after each pay date. If the payment is less than the amount required, the employer must pay the shortage amount to the association and collect reimbursement of any employee contribution shortage paid on behalf of a member through subsequent payroll withholdings from the wages of the employee. Payment of shortages in employee contributions and associated employer contributions, if applicable, must include interest at the rate specified in section 353.28, subdivision 5, if not received within 30 days following the date the amount was initially due under this section.

(b) The head of each department or the person's designee shall submit for each pay period to the association a salary deduction report in the format prescribed by the executive director. The report must be received by the association within 14 calendar days after each pay date or the employer may be assessed a fine of \$5 per calendar day until the association receives the required data. Data required as part of salary deduction reporting must include, but are not limited to:

- (1) the legal names and Social Security numbers of employees who are members;
- (2) the amount of each employee's salary deduction;

(3) the amount of salary defined in section 353.01, subdivision 10, earned in the pay period from which each deduction was made, including a breakdown of the portion of the salary that represents overtime pay that the employee was paid for additional hours worked beyond the regularly scheduled hours, pay for unused compensatory time, and the salary amount earned by a reemployed annuitant under section 353.37, subdivision 1, or 353.371, subdivision 1, or by a disabled member under section 353.33, subdivision 7 or 7a;

(4) the beginning and ending dates of the payroll period covered and the date of actual payment; and

(5) adjustments or corrections covering past pay periods as authorized by the executive director.

(c) Employers must furnish the data required for enrollment for each new or reinstated employee who qualifies for membership in the general employees retirement plan of the Public Employees Retirement Association or in the public employees police and fire retirement plan in the format prescribed by the executive director. The required enrollment data on new members must be submitted to the association prior to or concurrent with the submission of the initial employee salary deduction. Also, the employer shall report to the association all member employment status changes, such as leaves of absence, terminations, and death, and shall report the effective dates of those changes, on an ongoing basis for the payroll cycle in which they occur. If an employer fails to comply with the reporting requirements under this paragraph, the executive director may assess a fine of \$25 for each failure if the association staff has notified the employer of the noncompliance and attempted to obtain the missing data or form from the employer for a period of more than three months.

(d) The employer shall furnish data, forms, and reports as may be required by the executive director for proper administration of the retirement system. Before implementing new or different computerized reporting requirements, the executive director shall give appropriate advance notice to governmental subdivisions to allow time for system modifications.

(e) Notwithstanding paragraph (a), the executive director may provide for less frequent reporting and payments for small employers.

(f) The executive director may establish reporting procedures and methods as required to review compliance by employers with the salary and contribution reporting requirements in this chapter. A review of the payroll records of a participating employer may be conducted by the association on a periodic basis or as a result of concerns known to exist within a governmental subdivision. An employer under review must extract requested data and provide records to the association after receiving reasonable advanced notice. Failure to provide requested information or materials will result in the employer being liable to the association for any expenses associated with a field audit, which may include staff salaries, administrative expenses, and travel expenses.

EFFECTIVE DATE. This section is effective January 1, 2015.

Sec. 12. Minnesota Statutes 2012, section 353.37, is amended by adding a subdivision to read:

Subd. 6. Treatment in certain divorce situations. Notwithstanding other subdivisions of this section, if a reemployed annuitant whose annuity is suspended or reduced under this section has a former spouse receiving a portion of the annuity under section 518.58, subdivision 1, the portion payable to the former spouse must not be suspended or deferred.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2014.

Sec. 13. Minnesota Statutes 2012, section 353.371, is amended by adding a subdivision to read:

Subd. 8. Program expiration. (a) Initial postretirement option employment agreements must not be entered into after June 30, 2019.

(b) This section expires on June 30, 2024.

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 14. Minnesota Statutes 2013 Supplement, section 353.651, subdivision 4, is amended to read:

Subd. 4. **Early retirement.** (a) A person who becomes a public employees police and fire retirement plan member after June 30, 2007, or a former member who is reinstated as a member of the plan after that date, who is at least 50 years of age and is at least partially vested under section 353.01, subdivision 47, upon the termination of public ~~service~~ employees police and fire retirement plan membership before July 1, 2014, ~~if the person is other than a county sheriff or after January 4, 2015, if the person is a county sheriff~~ is entitled upon application to a retirement annuity equal to the normal annuity calculated under subdivision 3, reduced by two-tenths of one percent for each month that the member is under age 55 at the time of retirement.

(b) Upon the termination of public ~~service~~ employees police and fire retirement plan membership before July 1, 2014, ~~if the person is other than a county sheriff or upon the termination of public service before January 5, 2015, if the person is a county sheriff~~, any public employees police and fire retirement plan member who first became a member of the plan before July 1, 2007, and who is not specified in paragraph (a), upon attaining at least 50 years of age with at least three years of allowable service is entitled upon application to a retirement annuity equal to the normal annuity calculated under subdivision 3, reduced by one-tenth of one percent for each month that the member is under age 55 at the time of retirement.

(c) A person ~~other than a county sheriff~~ who is a member of the public employees police and fire retirement plan on or after July 1, 2014, ~~or a county sheriff who is a member of the public employees police and fire retirement plan on or after January 5, 2015~~, and who is at least 50 years old and is at least partially vested under section 353.01, subdivision 47, and whose benefit effective date is after July 1, 2014, ~~if other than a county sheriff or after January 4, 2015, if a county sheriff~~ and on or before July 1, 2019, is entitled upon application to a retirement annuity equal to the normal annuity calculated under subdivision 3, reduced for each month the member is under age 55 at the time of retirement by applying a blended monthly rate that is equivalent to the sum of:

(1) one-sixtieth of the annual rate of five percent, prorated for each month the person's benefit effective date is after July 1, 2014, ~~or after December 31, 2014, whichever applies~~; and

(2) one-sixtieth of the annual rate provided under paragraph (a) or (b), whichever applies, for each month the person's benefit effective date is before July 1, 2019.

(d) A person ~~other than a county sheriff~~ who is a member of the public employees police and fire retirement plan on or after July 1, 2014, ~~or a county sheriff who is a member of the public employees police and fire retirement plan on or after January 5, 2015~~, and who is at least 50 years old and is at least partially vested under section 353.01, subdivision 47, whose benefit effective date is after July 1, 2019, is entitled, upon application, to a retirement annuity equal to the normal annuity calculated under subdivision 3, reduced by five percent annually, prorated for each month that the member is under age 55.

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

Sec. 15. Minnesota Statutes 2012, section 353D.05, subdivision 1, is amended to read:

Subdivision 1. **Investment.** As further specified under this section, employing unit contributions, after the deduction of an amount for administrative expenses, and individual participant contributions must be ~~remitted to~~ invested in the participant's account or accounts in investment products authorized by the association that are made available for this purpose by the State Board of Investment ~~for investment in the Minnesota supplemental investment fund established by under~~ section ~~41A.17~~ 356.645.

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 16. Minnesota Statutes 2012, section 353D.05, is amended by adding a subdivision to read:

Subd. 1a. **Participant selection of investments.** (a) A plan participant may elect to allocate contributions, made by and on behalf of the participant, in one or more of the investment products authorized by the association to be made available under the plan, by specifying the percentage of the participant's contributions to be used to purchase shares in the authorized products.

(b) If contributions are received before the participant has made an allocation election, or if the participant fails to specify an allocation, the executive director shall, on behalf of that participant, purchase shares in a default investment alternative. The investment option must be specified by the Public Employees Retirement Association board of trustees from the designated available investment options authorized under this section.

(c) A participant may revise the investment allocation for subsequent purchase of shares, and a participant or former participant may also change the investment options selected for all or a portion of shares previously purchased.

(d) Any investment allocation selection authorized under this subdivision, whether relating to subsequent purchases of new shares or reallocating the existing portfolio, must be conducted at times and under procedures prescribed by the executive director.

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 17. Minnesota Statutes 2012, section 354.44, subdivision 5, is amended to read:

Subd. 5. **Resumption of teaching service after retirement.** (a) Any person who retired under the provisions of this chapter and has thereafter resumed teaching in any employer unit to which this chapter applies is eligible to continue to receive payments in accordance with the annuity except that all or a portion of the annuity payments must be deferred during the calendar year immediately following the fiscal year in which the person's salary from the teaching service is in an amount greater than \$46,000. The amount of the annuity deferral is one-half of the salary amount in excess of \$46,000 and must be deducted from the annuity payable for the calendar year immediately following the fiscal year in which the excess amount was earned.

(b) If the person is retired for only a fractional part of the fiscal year during the initial year of retirement, the maximum reemployment salary exempt from triggering a deferral as specified in this subdivision must be prorated for that fiscal year.

(c) After a person has reached the Social Security normal retirement age, no deferral requirement is applicable regardless of the amount of salary.

(d) The amount of the retirement annuity deferral must be handled or disposed of as provided in section 356.47.

(e) For the purpose of this subdivision, salary from teaching service includes all salary or income earned as a teacher as defined in section 354.05, subdivision 2, paragraph (a), clause (1). Salary from teaching service also includes, but is not limited to:

(1) all income for services performed as a consultant ~~or an~~ independent contractor ~~for~~, or third-party supplier, or as a employee of a consultant, independent contractor, or third-party supplier, to an employer unit covered by the provisions of this chapter; and

(2) the greater of either the income received or an amount based on the rate paid with respect to an administrative position, consultant, ~~or independent contractor, or third-party supplier, or as an employee of a consultant, independent contractor, or third-party supplier,~~ in an employer unit with approximately the same number of pupils and at the same level as the position occupied by the person who resumes teaching service.

(f) Notwithstanding other paragraphs of this subdivision, if the reemployed annuitant has a former spouse receiving a portion of the annuity under section 518.58, subdivision 1, the portion payable to the former spouse must not be deferred.

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 18. Minnesota Statutes 2012, section 354.48, subdivision 6a, is amended to read:

Subd. 6a. **Medical adviser; duties.** ~~The state commissioner of health or a licensed physician on the staff of the Department of Health who is designated by the commissioner is the medical adviser of~~ The executive director may contract with an accredited independent organization specializing in disability determinations, licensed physicians, or physicians on the staff of the commissioner of health as designated by the commissioner, to be the medical adviser to the executive director. The medical adviser shall designate licensed physicians, licensed chiropractors, or licensed psychologists with respect to a mental impairment, who shall examine applicants for disability benefits. The medical adviser shall pass upon all expert reports based on any examinations performed in order to determine whether a teacher is totally and permanently disabled as defined in section 354.05, subdivision 14. The medical adviser shall also investigate all health and medical statements and certificates by or on behalf of a teacher in connection with a disability benefit, and shall report in writing to the director setting forth any conclusions and recommendations on all matters referred to the medical adviser.

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 19. Minnesota Statutes 2013 Supplement, section 356.415, subdivision 1c, is amended to read:

Subd. 1c. **Annual postretirement adjustments; PERA-police and fire.** (a) Retirement annuity, disability benefit, or survivor benefit recipients of the public employees police and fire retirement plan are entitled to a postretirement adjustment annually on January 1, until funding stability is restored, as follows:

(1) for each annuitant or benefit recipient whose annuity or benefit effective date is on or before June 1, 2014, who has been receiving the annuity or benefit for at least 12 full months as of the immediate preceding June 30, an amount equal to one percent in each year; or

(2) for each annuitant or benefit recipient whose annuity or benefit effective date is on or before June 1, 2014, who has been receiving the annuity or benefit for at least one full month, but not less than 11 months, as of the immediate preceding June 30, an amount equal to 1/12 of one percent for each month of annuity or benefit receipt; and

(3) for each annuitant or benefit recipient whose annuity or benefit effective date is after June 1, 2014, unless section 26 applies, who will have been receiving an annuity or benefit for at least 36 full months as of the immediate preceding June 30, an amount equal to one percent; or

(4) for each annuitant or benefit recipient whose annuity or benefit effective date is after June 1, 2014, unless section 26 applies, who has been receiving the annuity or benefit for at least 25 full months, but less than 36 months as of the immediate preceding June 30, an amount equal to 1/12 of one percent for each full month of annuity or benefit receipt during the fiscal year in which the annuity or benefit was effective.

(b) Retirement annuity, disability benefit, or survivor benefit recipients of the public employees police and fire retirement plan are entitled to a postretirement adjustment annually on each January 1 following the restoration of funding stability as defined under paragraph (c) and during the continuation of funding stability as defined under paragraph (c), as follows:

(1) for each annuitant or benefit recipient who has been receiving the annuity or benefit for at least 36 full months as of the immediate preceding June 30, an amount equal to the percentage increase in the Consumer Price Index for urban wage earners and clerical workers all items index published by the Bureau of Labor Statistics of the United States Department of Labor between the immediate preceding June 30 and the June 30 occurring 12 months previous, but not to exceed 2.5 percent; and

(2) for each annuitant or benefit recipient who has been receiving the annuity or benefit for at least 25 full months, but less than 36 full months, as of the immediate preceding June 30, an amount equal to 1/12 of the percentage increase in the Consumer Price Index for urban wage earners and clerical workers all items index published by the Bureau of Labor Statistics of the United States Department of Labor between the immediate preceding June 30 and the June 30 occurring 12 months previous for each full month of annuity or benefit receipt during the fiscal year in which the annuity or benefit was effective, but not to exceed 1/12 of 2.5 percent for each full month of annuity or benefit receipt during the fiscal year in which the annuity or benefit was effective.

(c) Funding stability is restored when the market value of assets of the public employees police and fire retirement plan equals or exceeds 90 percent of the actuarial accrued liabilities of the applicable plan in the two most recent consecutive actuarial valuations prepared under section 356.215 and under the standards for actuarial work of the Legislative Commission on Pensions and Retirement by the approved actuary retained by the Public Employees Retirement Association under section 356.214.

(d) After having met the definition of funding stability under paragraph (c), a full or prorated increase, as provided in paragraph (a), clause (1), (2), (3), or (4), whichever applies, rather than adjustments under paragraph (b), is again applied in a subsequent year or years if the market value of assets of the public employees police and fire retirement plan equals or is less than:

(1) 85 percent of the actuarial accrued liabilities of the applicable plan for two consecutive actuarial valuations; or

(2) 80 percent of the actuarial accrued liabilities of the applicable plan for the most recent actuarial valuation.

(e) An increase in annuity or benefit payments under this section must be made automatically unless written notice is filed by the annuitant or benefit recipient with the executive director of the Public Employees Retirement Association requesting that the increase not be made.

EFFECTIVE DATE. This section is effective the day following final enactment and the amendments to this section expire on February 2, 2015.

Sec. 20. Minnesota Statutes 2012, section 356.635, subdivision 6, is amended to read:

Subd. 6. **Eligible retirement plan.** (a) An "eligible retirement plan" is:

- (1) an individual retirement account under section 408(a) or 408A of the federal Internal Revenue Code;
- (2) an individual retirement annuity plan under section 408(b) of the federal Internal Revenue Code;
- (3) an annuity plan under section 403(a) of the federal Internal Revenue Code;
- (4) a qualified trust plan under section 401(a) of the federal Internal Revenue Code that accepts the distributee's eligible rollover distribution;
- (5) an annuity contract under section 403(b) of the federal Internal Revenue Code;
- (6) an eligible deferred compensation plan under section 457(b) of the federal Internal Revenue Code, which is maintained by a state or local government and which agrees to separately account for the amounts transferred into the plan; or
- (7) in the case of an eligible rollover distribution to a nonspousal beneficiary, an individual account or annuity treated as an inherited individual retirement account under section 402(c)(11) of the federal Internal Revenue Code.

(b) For distributions of after-tax contributions which are not includable in gross income, the after-tax portion may be transferred only to an individual retirement account or annuity described in section 408(a) or (b) of the federal Internal Revenue Code, to a Roth individual retirement account described in section 408A of the federal Internal Revenue Code, or to a qualified plan described in either section 401(a) of the federal Internal Revenue Code or ~~403(a)~~ to an annuity contract described in section 403(b) of the federal Internal Revenue Code, that agrees to separately account for the amounts transferred, including separately accounting for the portion of the distribution which is includable in gross income and the portion of the distribution which is not includable.

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

Sec. 21. **[356.645] INVESTMENT OF VARIOUS DEFINED CONTRIBUTION PLAN ASSETS.**

The State Board of Investment shall determine the investments to be made available to plan participants in plans defined in sections 352.965 and 352.98 and chapters 352D and 353D. Investments made available to plan participants must include at least one or more of the following:

- (1) shares in the Minnesota supplemental investment fund established in section 11A.17;
- (2) saving accounts in federally insured financial institutions;
- (3) life insurance contracts, fixed annuity contracts, and variable annuity contracts from companies that are subject to regulation by the commissioner of commerce;
- (4) investment options from open-end investment companies registered under the federal Investment Company Act of 1940, United States Code, title 15, sections 80a-1 to 80a-64;
- (5) investment options from a firm that is a registered investment adviser under the Investment Advisers Act of 1940, United States Code, title 15, sections 80b-1 to 80b-21; and

(6) investment options of a bank as defined in United States Code, title 15, section 80b-2, subsection (a), paragraph (2), or a bank holding company as defined in the Bank Holding Company Act of 1956, United States Code, title 12, section 1841, subsection (a), paragraph (1).

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 22. **[356.646] PLAN PARTICIPANT INVESTMENT RESPONSIBILITY.**

Subdivision 1. **Member investment responsibility.** The state, State Board of Investment and its executive director and staff, plan administrators and their staff, and participating public employers are not liable and are not responsible for any investment losses due to choices made by participants or due to qualified default investment alternatives.

Subd. 2. **Application.** This section applies to the:

(1) Minnesota state deferred compensation plan, established under section 352.965;

(2) health care savings plan, established under section 352.98;

(3) unclassified employees retirement program, established under chapter 352D;

(4) public employees defined contribution plan, established under chapter 353D;

(5) individual retirement account plan, established under chapter 354B;

(6) higher education supplemental retirement plan, established under chapter 354C; and

(7) Arts Board and Humanities Commission individual retirement account plan, established under chapter 354D.

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 23. Minnesota Statutes 2013 Supplement, section 356.91, is amended to read:

356.91 VOLUNTARY MEMBERSHIP DUES DEDUCTION.

(a) Upon written authorization of a person receiving an annuity from a public pension fund administered by the Minnesota State Retirement System ~~or~~, the Public Employees Retirement Association, or the Teachers Retirement Association, the executive director of the public pension fund shall deduct from the retirement annuity an amount requested by the annuitant to be paid as membership dues or other payments to any labor organization that is an exclusive bargaining agent representing public employees or an organization representing retired public employees of which the annuitant is a member and shall, on a monthly basis, pay the amount to the organization so designated by the annuitant.

(b) A pension fund and the plan fiduciaries which authorize or administer deductions of dues payments under paragraph (a) are not liable for failure to properly deduct or transmit the dues amounts, provided that the fund and the fiduciaries have acted in good faith.

(c) Any labor organization that is an exclusive bargaining agent representing public employees or an organization representing retired public employees may conduct blind mailings to the annuitants of a retirement system specified in paragraph (a) by requesting that the retirement system mail voluntary membership information and dues deduction cards to annuitants. Such mailings shall not be for the purpose of supporting or opposing any

candidate, political party, or ballot measure. The organization requesting the blind mailing shall pay all costs associated with these mailings, including but not limited to copying, labeling, mailing, postage, and record keeping. In lieu of administering a blind mailing in-house, a retirement system may transmit annuitant data necessary for conducting a blind mailing to a mail center pursuant to a secure data share agreement with the mail center which provides that neither the organization nor any other entity shall have direct access to the data transmitted by the retirement system. The retirement system shall have no obligation to approve or disapprove, or otherwise be responsible for, the content of the mailings. No organization shall conduct more than two blind mailings per calendar year.

EFFECTIVE DATE. This section is effective July 2, 2015.

Sec. 24. Laws 2009, chapter 169, article 5, section 2, the effective date, as amended by Laws 2010, chapter 359, article 5, section 27, is amended to read:

EFFECTIVE DATE. This section is effective the day following final enactment and expires on June 30, 2014. Individuals must not be appointed to a postretirement option position after that date.

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

Sec. 25. **COUNTY SHERIFF TEMPORARY EARLY RETIREMENT PROVISION.**

Subdivision 1. **Application.** (a) This section applies to a county sheriff who:

(1) terminates membership in the public employees police and fire retirement plan after June 30, 2014, and by the final day in office in January 2015 as reported by the county;

(2) is at least age 50 but less than age 55 on the date of termination;

(3) is at least partially vested under Minnesota Statutes, section 353.01, subdivision 47, and meets all applicable requirements for receipt of an early retirement annuity from the plan; and

(4) has as the benefit effective date the day following termination of public employees police and fire retirement plan membership.

(b) Notwithstanding any provision of Minnesota Statutes, section 353.651, subdivision 4, to the contrary, the early retirement annuity applicable to an eligible person under paragraph (a) is the applicable benefit specified in subdivision 2.

Subd. 2. **Early retirement annuity.** (a) If an eligible person became a public employees police and fire retirement plan member after June 30, 2007, or was a former member who was reinstated as a member after that date, the person is entitled, upon application, to the normal annuity calculated under Minnesota Statutes, section 353.651, subdivision 3, reduced by two-tenths of one percent for each month that the member is under age 55 at the time of retirement.

(b) If an eligible person became a public employees police and fire retirement plan member before July 1, 2007, and is covered under paragraph (a), the person is entitled, upon application, to the normal annuity calculated under Minnesota Statutes, section 353.651, subdivision 3, reduced by one-tenth of one percent for each month that the member is under age 55 at the time of retirement.

(c) If an eligible person is not fully vested, the annuity computed under this section must be reduced accordingly.

Subd. 3. **Expiration.** This section expires January 1, 2016.

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

Sec. 26. **COUNTY SHERIFF TEMPORARY PROVISION; APPLICATION OF POSTRETIREMENT ADJUSTMENT WAITING PERIOD.**

Subdivision 1. **Application.** Notwithstanding any provision of Minnesota Statutes, section 356.415, subdivision 1c, paragraph (a), to the contrary, this section applies to a county sheriff who:

(1) terminates membership in the public employees police and fire retirement plan after June 30, 2014, and by the final day in office in January 2015 as reported by the county;

(2) is at least age 50 on the date of membership termination;

(3) is at least partially vested under Minnesota Statutes, section 353.01, subdivision 47, and meets all applicable requirements for receipt of a retirement annuity from the public employees police and fire retirement plan; and

(4) has as the effective date for the commencement of the retirement annuity the day following the date on which termination of public employees police and fire retirement plan membership occurs.

Subd. 2. **Waiting period for initial postretirement adjustment eligibility.** A person to whom subdivision 1 applies is eligible to receive the initial postretirement adjustment under Minnesota Statutes, section 356.415, subdivision 1c, paragraph (a), clause (1) or (2), whichever applies, rather than under Minnesota Statutes, section 356.415, subdivision 1c, paragraph (a), clause (3) or (4).

Subd. 3. **Expiration.** This section expires February 2, 2015.

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

Sec. 27. **REPEALER.**

Minnesota Statutes 2012, sections 11A.17, subdivision 4; 352.965, subdivision 5; 352D.04, subdivision 1; and 353D.05, subdivision 2, are repealed.

EFFECTIVE DATE. This section is effective July 1, 2014.

ARTICLE 14
ONE PERSON AND SMALL GROUP RETIREMENT PROVISIONS

Section 1. **PERA-POLICE AND FIRE; DISABILITY BENEFIT APPLICATION DEADLINE EXTENSION FOR CERTAIN WADENA COUNTY SHERIFF'S DEPUTIES.**

(a) Notwithstanding any provision of Minnesota Statutes, section 353.031 or 353.656, to the contrary, an eligible person described in paragraph (b) is authorized to file an application for a disability benefit from the public employees police and fire retirement plan retroactively from the date of a shooting event in which the person was involved on March 11, 2006.

(b) An eligible person is a person who:

(1) was born on August 11, 1971;

(2) was initially employed as a deputy sheriff by Wadena County on March 9, 2006;

(3) was, by virtue of law enforcement employment, a member of the public employees police and fire retirement plan;

(4) was involved in the nonfatal shooting incident of a gun-wielding suspect near Sebelia, Minnesota, on March 11, 2006, without being physically injured;

(5) resigned from the Wadena County sheriff's department in October 2010 after being treated for mental health issues for the prior six months; and

(6) failed to apply for a mental health-related disability benefit by the November 11, 2007, deadline for applying for a disability benefit from the public employees police and fire retirement plan based on the March 11, 2006, shooting incident.

(c) If the eligible person files a disability benefit application under paragraph (a) on or before the expiration date specified in paragraph (d), and if the eligible person is determined by the Public Employees Retirement Association as being disabled while in the line of duty as a result of the March 11, 2006, shooting incident, the eligible person is entitled to receive a duty disability benefit from the public employees police and fire retirement plan under Minnesota Statutes, section 353.656, subdivision 1 or 1a, including retroactive benefit payments from April 1, 2006.

(d) The authority for the eligible person to file a disability benefit application under paragraph (a) expires on July 1, 2015.

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

Sec. 2. PERMITTING THE PURCHASE OF SALARY CREDIT BY CERTAIN CURRENT AND FORMER CITY OF DULUTH OR DULUTH AIRPORT AUTHORITY EMPLOYEES COVERED BY THE GENERAL EMPLOYEES RETIREMENT PLAN OR THE PUBLIC EMPLOYEES POLICE AND FIRE RETIREMENT PLAN.

Subdivision 1. Authorization. Due to a Court of Appeals determination that certain salary-supplement payments, provided to certain city of Duluth and Duluth Airport Authority employees and deposited in the employee's deferred compensation account, should have been considered salary for pension purposes, an eligible person is authorized to receive the treatment specified in this section if the eligible person chooses to make the employee contribution equivalent payment specified in this section.

Subd. 2. Eligible person. (a) An eligible person:

(1) is a current or former employee of the city of Duluth or the Duluth Airport Authority, employed by that governmental subdivision between August 1, 2007, and December 31, 2011;

(2) was a participating member of the general employees retirement plan of the Public Employees Retirement Association or the public employees police and fire retirement plan for that employment; and

(3) had employer-paid amounts made to the person's deferred compensation account for which contributions were not made to the applicable Public Employees Retirement Association plan fund between August 1, 2007, and December 31, 2011, or the date of the employee's termination of public service under Minnesota Statutes, section 353.01, subdivision 11a, whichever is earlier, due to an erroneous application of law under which the Public Employees Retirement Association executive director and board concluded that these employer-paid amounts were not salary for pension purposes under Minnesota Statutes, section 353.01, subdivision 10.

(b) A surviving spouse, as defined in this paragraph, is an eligible person for purposes of this section. A surviving spouse means:

(1) the surviving spouse of an eligible person as defined in paragraph (a) who, at the time of the eligible person's death, was a deferred annuitant of a Public Employees Retirement Association plan specified in this section;

(2) the surviving spouse of an eligible person as defined in paragraph (a) receiving benefits under a joint and survivor annuity from a Public Employees Retirement Association plan specified in this section; or

(3) the surviving spouse of an eligible person as defined in paragraph (a) receiving a survivor benefit under Minnesota Statutes, section 353.657.

Subd. 3. **Employee contributions.** An eligible person may make payment of an employee contribution equivalent amount to the fund of the general employees retirement plan of the Public Employees Retirement Association or the public employees police and fire retirement plan, whichever provided the coverage. The employee contribution equivalent amount is the amount of employee contributions that would have been made by the employee based on the employer-paid amounts made to the person's deferred compensation account for the period specified in subdivision 2, and the employee contribution rates to the applicable Public Employees Retirement Association plan during that period. If an employee contribution equivalent amount is paid, it must be made in full and in a lump sum.

Subd. 4. **Employer contributions.** (a) If an eligible person makes the employee equivalent contribution under subdivision 3, the city of Duluth or the Duluth Airport Authority, whichever is the applicable employing unit, may make the corresponding employer contributions, plus any employer supplemental and employer additional contributions required by law during the applicable time period.

(b) Any contributions specified under this subdivision must be based on the employer-paid amounts referred to in subdivision 2, and the contribution rates applicable during the time period for regular employer contributions, and any employer supplemental and employer additional contributions, if applicable.

(c) Within 30 days of receipt by the executive director of the Public Employees Retirement Association of employee equivalent contributions under subdivision 3, the executive director shall notify the city of Duluth or the Duluth Airport Authority, whichever is the applicable employer, of amounts due under this subdivision. If the employer chooses to make the payment specified in this subdivision, payment shall be remitted by the applicable employer to the executive director for deposit in the applicable fund within 30 days of notification. If payment is not made in full within that time period, the executive director shall collect the necessary amounts by applying Minnesota Statutes, section 353.28, subdivision 6.

Subd. 5. **Benefit adjustments.** Upon receipt of the applicable employee equivalent contribution under subdivision 3 from an eligible person, the executive director shall revise the records of the Public Employees Retirement Association and grant the person the additional salary credit. If a retirement, disability, or survivor annuity has commenced, the executive director must adjust the benefit being paid to include in the calculation the additional salary on which contributions were paid, and the adjusted benefit must be paid retroactive from the effective date of the initial benefit payment under the annuity.

Subd. 6. **Restrictions.** This section does not apply if service credit and other rights under the plan were forfeited by taking a refund.

Subd. 7. **Treatment of interest.** Notwithstanding any provision in Minnesota Statutes, chapter 353, to the contrary, all payments specified in this section made by an eligible person to the executive director for deposit in the applicable Public Employees Retirement Association fund are to be made without interest. Any payments required

from the employer under this section are also without interest, provided the employer makes the payment to the executive director within 30 days of notification. Interest shall be charged, as specified in Minnesota Statutes, section 353.28, on any employer obligations not paid within the 30-day period.

Subd. 8. **Notification; counseling.** The executive director shall notify all active members, deferred members, retirees, and survivors to whom this section may apply and shall provide counseling regarding the implications of this section, including payment requirements and likely adjustments in current or future benefit amounts if employee equivalent contributions as specified in this section are made.

Subd. 9. **Expiration of salary credit purchase authority.** Payment of employee contribution equivalent amounts, as authorized under this section, is prohibited after 180 days following the date that local approval is provided by the applicable employing unit of the current or former employee.

Subd. 10. **Ratification.** Actions taken before the effective date of this section by the executive director and board of the Public Employees Retirement Association, the city of Duluth, the Duluth Airport Authority, and eligible persons which are otherwise consistent with this section are ratified.

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

Sec. 3. PERA-GENERAL; HENNEPIN COUNTY ELECTED SERVICE CREDIT PURCHASE.

(a) Notwithstanding any provision of Minnesota Statutes, chapters 353 and 353D, or other law to the contrary, an eligible person described in paragraph (b) is entitled to purchase allowable service credit from the coordinated program of the general employees retirement plan of the Public Employees Retirement Association for the period of service as an elected county commissioner for Hennepin County that is not otherwise covered under Minnesota Statutes, chapter 353, if the eligible person makes the payment required under paragraph (d).

(b) An eligible person is a person who:

(1) was born on November 18, 1946; and

(2) was first elected as a Hennepin County commissioner in November 1978 and was sworn in as a commissioner on January 2, 1979.

(c) If the eligible person described in paragraph (b) elects to participate in the general employees retirement plan of the Public Employees Retirement Association governed by Minnesota Statutes, chapter 353, effective on the first day of the month next following the effective date of this section, the eligible person may apply to the executive director of the Public Employees Retirement Association to make the service credit purchase under this section. The application must be in writing and must be accompanied with necessary documentation of the applicability of this section and of any other relevant information that the executive director may require.

(d) Allowable service credit under Minnesota Statutes, section 353.01, subdivision 16, must be granted by the coordinated program of the general employees retirement plan of the Public Employees Retirement Association to the eligible person upon the receipt of the prior service credit purchase payment amount required under Minnesota Statutes, section 356.551. The payment obligation must be offset first by a transfer of the account balance to the credit of the eligible person from the defined contribution plan of the Public Employees Retirement Association. If that transfer is insufficient, the balance of the service credit purchase payment may be made from amounts to the credit of the eligible person under Minnesota Statutes, section 352.965 or 383B.46.

(e) If, before July 1, 2018, the interest rate actuarial assumption, the mortality actuarial assumption, or both actuarial assumptions of the general employees retirement plan of the Public Employees Retirement Association are modified and the net result of any modification is to increase the actuarial accrued liability of the retirement plan,

the eligible person, as a condition of a continued receipt of an annuity from the retirement plan, shall reimburse the retirement fund for the amount of the increase in required reserves for the annuity, determined as the difference between the present value of the annuity on the effective date of the assumption change or changes before the assumption change or changes and after the assumption change or changes. The executive director shall certify the amount due, if any, to the eligible person and payment is due 30 days later.

(f) Authority for an eligible person to make the prior service credit purchase under this section expires on December 31, 2015, or upon the termination of service as a Hennepin County commissioner, whichever is earlier.

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

Sec. 4. **PERA-P&F; MILLE LACS BAND PRIOR SERVICE CREDIT PURCHASE AUTHORIZED.**

(a) An eligible person described in paragraph (b) is entitled to purchase allowable service credit in the public employees police and fire retirement plan for the period specified in paragraph (c) by remitting the payment calculated under paragraph (d).

(b) An eligible person is a person who:

(1) was born on June 28, 1966;

(2) was initially employed as a full-time police officer by the Mille Lacs tribal police department on October 29, 1998;

(3) was initially employed as a part-time police officer by the city of Onamia on July 28, 2002;

(4) was initially employed as a part-time police officer by the city of Pierz on March 14, 2013; and

(5) is an active member of the public employees police and fire retirement plan.

(c) The period of Mille Lacs tribal police department employment available for purchase is the two-year period of Mille Lacs tribal police department employment immediately preceding initial active membership in the public employees police and fire retirement plan in that capacity.

(d) The full actuarial value prior service credit purchase payment amount must be calculated under Minnesota Statutes, section 356.551.

(e) The eligible person must provide the executive director of the Public Employees Retirement Association with any relevant requested information pertaining to the service credit purchase.

(f) Authority to make a service credit purchase under this section expires on June 30, 2015, or upon the eligible person's termination from public employment as defined under Minnesota Statutes, section 353.01, subdivision 11a, whichever occurs earlier.

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

Sec. 5. **TEACHERS RETIREMENT ASSOCIATION; PROSPECTIVE TEACHERS RETIREMENT ASSOCIATION COVERAGE; PURCHASE OF PAST SERVICE CREDIT.**

(a) An eligible person described in paragraph (b) is authorized to become a coordinated member of the Teachers Retirement Association and to purchase service and salary credit in the Teachers Retirement Association coordinated plan retroactively from January 1, 1995, upon making an election under paragraph (c) and upon making all required payments under paragraphs (d) and (e).

(b) An eligible person is a person who:

(1) was born on October 29, 1957;

(2) has been employed at Mesabi Range Community and Technical College as an instructor since 1993;

(3) in 1994 was classified in the unlimited part-time category;

(4) became eligible for and was covered by the higher education individual retirement account plan in January 1994; and

(5) was not offered an election of Teachers Retirement Association coverage, as required under Laws 1994, chapter 508, article 1, section 10.

(c) To be eligible for coverage by the Teachers Retirement Association, an eligible person must submit a written application to the executive director of the Teachers Retirement Association on a form provided by the Teachers Retirement Association. The application must include all documentation of the applicability of this section and any other relevant information that the executive director may require. Teachers Retirement Association plan membership commences as of September 1, 2014, for an applicable eligible person, and past salary and service credit is granted from January 1, 1995, as specified in this section, following receipt by the executive director of the written application specified in this paragraph and receipt of the payments specified in paragraphs (d) and (e). The authority granted by this section is voided if the applicable eligible individual terminates from Minnesota State Colleges and Universities system employment prior to receipt by the executive director of the Teachers Retirement Association of the application specified in this paragraph and amounts specified in paragraphs (d) and (e). Coverage by the Teachers Retirement Association is in lieu of coverage by the individual retirement account plan.

(d) If an eligible person makes an election under paragraph (c), the eligible person shall make, before September 1, 2014, a contribution equal to the excess, if any, of the employee contributions that the individual would have made if the Teachers Retirement Association had provided coverage from January 1, 1995, rather than the individual retirement account plan. These additional contribution amounts shall include 8.5 percent annual compound interest computed from the date the contribution would have been made if deducted from salary until paid. The total amount to be paid under this paragraph shall be determined by the executive director of the Teachers Retirement Association and written notification of the amount required under this paragraph should be transmitted to the eligible individual.

(e) If payment is made under paragraph (d), the value of the applicable eligible person's higher education individual retirement account plan account shall be determined as of September 1, 2014, and that account value shall be transferred to the Teachers Retirement Association on or before September 15, 2014.

(f) The Teachers Retirement Association shall determine the full actuarial value imposed upon the Teachers Retirement Association under this section due to the salary and service credit purchase.

(g) From the total amount computed under paragraph (f), the executive director of the Teachers Retirement Association shall subtract the amounts received under paragraphs (d) and (e). The Minnesota State Colleges and Universities system is authorized to transmit the remaining amount, if any, to the executive director of the Teachers Retirement Association.

(h) Any payment amount specified from the Minnesota State Colleges and Universities system under paragraph (g) shall be transmitted to the Teachers Retirement Association within one month following receipt of amounts transmitted under paragraphs (d) and (e), and following notification from the executive director of the Teachers Retirement Association. If a payment from the Minnesota State Colleges and Universities system specified under paragraph (g) is not made, the executive director of the Teachers Retirement Association must notify the

commissioner of Minnesota Management and Budget of this fact and that commissioner must order that amounts specified under paragraph (g) shall be deducted from appropriations or state aid to the Minnesota State Colleges and Universities system and be transmitted to the Teachers Retirement Association.

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

Delete the title and insert:

"A bill for an act relating to retirement; various Minnesota public employee retirement plans; allowing MSRS-General deferred members to vote in board elections; continuing Stevens County Housing and Redevelopment Authority employees in PERA-General; excluding fixed-route bus drivers employed by the St. Cloud Metropolitan Transit Commission from PERA-General coverage; increasing member and employer contribution rates for certain retirement plans; providing for the consolidation of the Duluth Teachers Retirement Fund Association retirement plan and fund into the statewide Teachers Retirement Association; revising an amortization target date, creating new state aid programs; appropriating money; extending a MnSCU early retirement incentive program; increasing the limit for certain reemployed MnSCU retirees; extending the applicability of a second chance at tenure retirement coverage election opportunity for MnSCU faculty members; revising investment authority for various defined contribution plans or programs; authorizing the State Board of Investment to revise, remove, or create investment options for the Minnesota supplemental investment fund; expanding permissible investments under the unclassified state employees retirement program, the public employees defined contribution plan, the deferred compensation program, and the health care savings plan; revising salary reporting requirements; clarifying retirement provision applications to sheriffs; revising local government postretirement option program requirements and extending expiration date; clarifying future postretirement adjustment rates for former members of the former Minneapolis Firefighters Relief Association and the former Minneapolis Police Relief Association; making technical changes to amortization state aid and supplemental state aid; clarifying the eligibility of independent nonprofit firefighting corporations to receive police and fire supplemental retirement state aid; implementing the recommendations of the 2013-2014 state auditor volunteer fire working group; modifying the disability benefit application deadline for certain former Wadena County sheriff's deputies; authorizing city of Duluth and Duluth Airports Authority employee salary-supplement payments coverage following Court of Appeals decision; specifying interest rate for computing joint and survivor annuities; revising postretirement adjustment triggers; revising reemployed annuitant withholding in certain divorce situations; clarifying medical advisor and resumption of teaching provisions; specifying explicit postretirement adjustment assumptions; allowing volunteer firefighter relief associations to pay state fire chiefs association dues from the special fund; authorizing MnSCU employee to elect TRA coverage and transfer past service from IRAP to TRA; clarifying the applicability of 2013 postretirement adjustment modifications to certain county sheriffs; ratifying or grandparenting MSRS-Correctional plan coverage for Department of Human Services employees; allowing various service credit purchases; requiring a PERA report on certain survivor benefit amounts; amending Minnesota Statutes 2012, sections 3A.01, subdivision 1a; 11A.17, subdivisions 1, 9; 13.632, subdivision 1; 122A.18, subdivision 7a; 136F.481; 352.01, subdivisions 2b, 12; 352.03, subdivision 1, by adding a subdivision; 352.04, subdivisions 2, 3; 352.115, subdivisions 8, 10; 352.1155, subdivisions 1, 4; 352.90; 352.91, subdivisions 1, 2, 3c, 3d, 3e, 3f, by adding a subdivision; 352.92, subdivisions 1, 2; 352.965, subdivision 4, by adding subdivisions; 352.98, subdivision 2; 352B.08, subdivision 3; 352D.04, by adding subdivisions; 353.01, subdivision 14; 353.27, subdivisions 2, 3, 3b, 4, by adding a subdivision; 353.30, subdivision 3; 353.37, by adding a subdivision; 353.371, by adding a subdivision; 353.6511, subdivision 7; 353.6512, subdivision 7; 353D.05, subdivision 1, by adding a subdivision; 354.05, subdivisions 2, 7, 13; 354.42, subdivisions 2, 3; 354.44, subdivision 5; 354.445; 354.48, subdivision 6a; 354A.011, subdivisions 11, 15a, 27; 354A.021, subdivision 1; 354A.092; 354A.093, subdivision 1; 354A.096; 354A.12, subdivision 2; 354A.29, subdivision 8; 354A.31, subdivisions 1, 3a; 354A.32, subdivision 1; 354A.35, subdivision 1; 354A.37, subdivisions 3, 4; 354A.39; 354A.41; 354B.21, subdivisions 2, 3a; 355.01, subdivision 2c; 356.215, subdivision 11; 356.24, subdivision 1; 356.302, subdivision 7; 356.303, subdivision 4; 356.32, subdivision 2; 356.415, subdivision 1d; 356.42, subdivision 3; 356.465, subdivision 3; 356.47, subdivision 3; 356.635, subdivision 6; 356.99, subdivision 1; 356A.06, subdivisions 7, 7a; 424A.015, by adding a subdivision; 424A.016, subdivisions 4, 7; 424A.05, subdivision

3; 424A.08; 424B.12; 490.121, subdivision 2a; Minnesota Statutes 2013 Supplement, sections 69.051, subdivisions 1a, 3; 352.01, subdivision 2a; 352.03, subdivision 4; 353.01, subdivisions 2a, 2b; 353.651, subdivision 4; 354.436; 354.44, subdivision 6; 354A.12, subdivisions 1, 2a, 3a, 3c; 354A.27, subdivision 6a; 356.20, subdivision 2; 356.214, subdivision 1; 356.215, subdivision 8; 356.219, subdivision 8; 356.30, subdivision 3; 356.401, subdivision 3; 356.415, subdivisions 1a, 1c, 1e, 1f; 356.91; 423A.02, subdivision 3; 423A.022, subdivisions 2, 3; 424A.016, subdivision 6; 424A.02, subdivisions 3, 7; 424A.092, subdivision 6; 424A.093, subdivisions 2, 6; 424A.094, subdivision 2; 424A.10, subdivision 2; Laws 2009, chapter 169, article 5, section 2, as amended; article 6, section 1; proposing coding for new law in Minnesota Statutes, chapters 354; 354A; 356; repealing Minnesota Statutes 2012, sections 11A.17, subdivision 4; 352.965, subdivision 5; 352D.04, subdivision 1; 353D.05, subdivision 2; 354A.021, subdivision 5; 354A.108; 354A.24; 354A.27, subdivision 5; 356.415, subdivision 3; Minnesota Statutes 2013 Supplement, sections 354A.27, subdivisions 6a, 7; 354A.31, subdivision 4a."

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

The report was adopted.

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

H. F. No. 2120, A bill for an act relating to state government; creating a Legislative Commission on Data Practices and Personal Data Privacy; proposing coding for new law in Minnesota Statutes, chapter 3.

Reported the same back with the recommendation that the bill be placed on the General Register.

The report was adopted.

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

H. F. No. 2156, A bill for an act relating to public safety; providing for accreditation of forensic laboratories; proposing coding for new law in Minnesota Statutes, chapter 299C.

Reported the same back with the following amendments:

Page 3, delete section 2

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

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

H. F. No. 2198, A bill for an act relating to labor and industry; making permanent an independent contractor registration pilot project; amending Minnesota Statutes 2012, section 181.723, subdivisions 4, 4a, 5, 7, 16; proposing coding for new law in Minnesota Statutes, chapter 326B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2012, section 116V.01, subdivision 2, is amended to read:

Subd. 2. **Board of directors.** The board of directors of the Agricultural Utilization Research Institute is comprised of:

(1) the chairs of the senate and the house of representatives standing committees with jurisdiction over agriculture finance or the chair's designee;

(2) ~~two representatives of statewide farm organizations~~ one member appointed by and serving at the pleasure of the Minnesota Farm Bureau, or its successor, and one member appointed by and serving at the pleasure of the Minnesota Farmers Union, or its successor;

(3) two representatives of agribusiness; and

(4) three representatives of the commodity promotion councils.

Sec. 2. **[178.011] DEFINITIONS.**

Subdivision 1. **Scope.** The terms defined in this section have the meanings given and apply to this chapter.

Subd. 2. **Apprentice.** "Apprentice" means a worker who is at least 16 years of age who is employed to learn an apprenticeable trade or occupation in a registered apprenticeship program under this chapter.

Subd. 3. **Apprenticeship Advisory Board.** "Apprenticeship Advisory Board" or "board" means the Apprenticeship Advisory Board established under section 178.02 and as an advisory State Apprenticeship Council as defined in Code of Federal Regulations, title 29, section 29.2.

Subd. 4. **Apprenticeship program.** "Apprenticeship program" means a program registered under this chapter that includes standards containing all terms and conditions for the qualification, recruitment, selection, employment, and training of apprentices, as required under Code of Federal Regulations, title 29, parts 29 and 30, and a written apprenticeship agreement.

Subd. 5. **Commissioner.** "Commissioner" means the commissioner of labor and industry or a duly designated representative of the commissioner who is an employee of the department.

Subd. 6. **Department.** "Department" means the Department of Labor and Industry established under section 175.001.

Subd. 7. **Division.** "Division" means the department's Labor Standards and Apprenticeship Division, established under sections 175.16 and 178.03, and the State Apprenticeship Agency as defined in Code of Federal Regulations, title 29, part 29, section 29.2.

Subd. 8. **Employer.** "Employer" means any person or organization employing an apprentice whether or not the person or organization is a party to an apprenticeship agreement with the apprentice.

Subd. 9. **Journeyworker.** "Journeyworker" means a person who has attained a level of skill, abilities, and competencies recognized within an industry as having mastered the skills and competencies required for the trade or occupation.

Subd. 10. Registered apprenticeship agreement. "Registered apprenticeship agreement" or "apprenticeship agreement" means a written agreement, complying with section 178.07, between the division, sponsor, and apprentice, and, if the apprentice is a minor, the minor's parent or guardian, which contains the terms and conditions of the employment and training of the apprentice.

Subd. 11. Related instruction. "Related instruction" means an organized and systematic form of instruction designed to provide the apprentice with the knowledge of the theoretical and technical subjects related to the apprentice's trade or occupation. The instruction may be given in a classroom through trade, occupational, or industrial courses or, when of equivalent value, by correspondence, electronic media, or other forms of self-study approved by the commissioner.

Subd. 12. Sponsor. "Sponsor" means an employer, employer association, or apprenticeship committee as defined by Code of Federal Regulations, title 29, part 29, section 29.2, that operates an apprenticeship program and in whose name the program is or is to be registered or approved.

EFFECTIVE DATE. This section is effective January 1, 2015.

Sec. 3. **[178.012] UNIFORMITY WITH FEDERAL LAW.**

Subdivision 1. Apprenticeship rules. Federal regulations governing apprenticeship in effect on July 1, 2013, as provided by Code of Federal Regulations, title 29, part 29, sections 29.1 to 29.6 and 29.11, are the apprenticeship rules in this state, subject to amendment by this chapter or by rule under section 178.041.

Subd. 2. State Apprenticeship Agency. The commissioner shall take all necessary steps as permitted by law to obtain and maintain the status of the division as a State Apprenticeship Agency recognized by the United States Department of Labor under Code of Federal Regulations, title 29, part 29, section 29.13.

EFFECTIVE DATE. This section is effective January 1, 2015.

Sec. 4. Minnesota Statutes 2012, section 178.02, is amended to read:

178.02 APPRENTICESHIP ADVISORY BOARD.

Subdivision 1. Members. The commissioner of labor and industry, hereinafter called the commissioner, shall appoint an Apprenticeship Board, hereinafter referred to as the board, composed of three representatives each from employer and employee organizations, and two representatives of the general public. ~~The director~~ A designee of the commissioner of education responsible for career and technical education or designee shall be an ex officio member of the board and shall serve in an advisory capacity only.

Subd. 2. Terms. The board shall not expire. The terms, compensation, and removal of appointed members shall be as provided in section 15.059.

Subd. 4. Duties. The board shall meet at the call of the commissioner and shall advise the commissioner about matters relating to this chapter. It shall propose occupational classifications for apprenticeship programs; propose minimum standards for apprenticeship programs and agreements; and advise on the establishment of such policies, procedures, and rules as the board or commissioner deems necessary in implementing the intent of this chapter.

EFFECTIVE DATE. This section is effective January 1, 2015.

Sec. 5. Minnesota Statutes 2012, section 178.03, is amended to read:

178.03 DIVISION OF LABOR STANDARDS AND APPRENTICESHIP.

Subdivision 1. **Establishment of division.** There is established a Division of Labor Standards and Apprenticeship in the Department of Labor and Industry. This division shall be administered by a director, and be under the supervision of the commissioner of labor and industry, hereinafter referred to as the commissioner.

Subd. 2. **Director of labor standards and apprenticeship.** The commissioner shall appoint a director of the Division of Labor Standards and Apprenticeship, hereinafter referred to as the director, and may appoint and employ such clerical, technical, and professional help as is necessary to accomplish the purposes of this chapter. The director and division staff shall be appointed and shall serve in the classified service pursuant to civil service law and rules.

Subd. 3. **Duties and functions.** ~~The director, under the supervision of the commissioner, and with the advice and consultation of the Apprenticeship Board, is authorized: to administer the provisions of this chapter; to promote apprenticeship and other forms of on-the-job learning; to establish, in cooperation and consultation with the Apprenticeship Board and with the apprenticeship committees, conditions, training, and learning standards for the approval of apprenticeship programs and agreements, which conditions and standards shall in no case be lower than those (1) prescribed by this chapter, and (2) established under~~ The division shall be administered as prescribed by this chapter and in accordance with Code of Federal Regulations, title 29, part 29; to promote equal employment opportunity in apprenticeship and other on-the-job learning and to establish a Minnesota plan for equal employment opportunity in apprenticeship which shall be consistent with standards established under Code of Federal Regulations, title 29, part 30, as amended; ~~to issue certificates of registration to sponsors of approved apprenticeship programs; to act as secretary of the Apprenticeship Board; to approve, if of the opinion that approval is for the best interest of the apprentice, any apprenticeship agreement which meets the standards established hereunder; to terminate any apprenticeship agreement in accordance with the provisions of such agreement; to keep a record of apprenticeship agreements and their disposition; to issue certificates of completion of apprenticeship; and to perform such other duties as the commissioner deems necessary to carry out the intent of this chapter; provided, that the administration and supervision of supplementary instruction in related subjects for apprentices; coordination of instruction on a concurrent basis with job experiences, and the selection and training of teachers and coordinators for such instruction shall be the function of state and local boards responsible for vocational education.~~ The director ~~division~~ shall have the authority to make wage determinations applicable to the graduated schedule of wages and journeyworker wage rate for apprenticeship agreements, giving consideration to the existing wage rates prevailing throughout the state, except that no wage determination by the director shall alter an existing wage provision for apprentices or journeyworkers that is contained in a bargaining agreement in effect between an employer and an organization of employees, nor shall the director make any determination for the beginning rate for an apprentice that is below the wage minimum established by federal or state law.

Subd. 4. **Reciprocity approval.** ~~The director~~ commissioner, if requested by a ~~sponsoring entity program sponsor~~, shall grant reciprocity approval to apprentices, apprenticeship programs of employers and unions who jointly form a sponsoring entity on a multistate basis in other than the building construction industry if such programs are in conformity with this chapter and have been registered in compliance with Code of Federal Regulations, title 29, part 29, by a state apprenticeship council recognized by or registered with the United States Department of Labor, Office of Apprenticeship, when such approval is necessary for federal purposes under Code of Federal Regulations, title 29, section 29.13(a) or 29.13(b)(7), and standards that are registered in other states. Program sponsors seeking reciprocal approval must meet the requirements of this chapter including the wage and hour provisions and apprentice ratio standards.

EFFECTIVE DATE. This section is effective January 1, 2015.

Sec. 6. **[178.035] REGISTRATION OF APPRENTICESHIP PROGRAMS.**

Subdivision 1. **Application.** To apply for the registration of an apprenticeship program, a sponsor shall submit a completed application to the division on a form provided by the commissioner, which shall include standards of apprenticeship that comply with the requirements of Code of Federal Regulations, title 29, part 29, section 29.5, and this chapter.

Subd. 2. **Provisional approval.** The division shall grant a provisional approval period of one year to an applicant demonstrating that the standards submitted meet the requirements of this chapter. The division may review each program granted provisional approval for quality and for conformity with the requirements of this section and section 178.036 at any time, but not less than biannually, during the provisional approval period. After review:

(1) a program that conforms with the requirements of this chapter:

(i) may be approved; or

(ii) may continue to be provisionally approved through the first full training cycle; and

(2) a program not in operation or not conforming with the requirements of this chapter during the provisional approval period shall be deregistered.

The division shall inform the applicant of the results of its review in writing at least 30 days prior to the expiration of the provisional approval period.

Subd. 3. **Review.** The division shall review all programs for quality and for conformity with the requirements of this chapter at the end of the first full training cycle. Subsequent review of a registered program must be conducted at least annually. Programs not in operation or not conforming to this chapter at the time of review may be recommended for deregistration.

Subd. 4. **Program modification.** To apply for modification of or change to a registered program, a sponsor shall submit a written request for modification to the division. The division shall approve or disapprove a modification request within 90 days from the date of receipt. If approved, the modification or change must be recorded and acknowledged within 90 days of its approval as an amendment to the registered program. If not approved, the division shall notify the sponsor in writing of the disapproval and the reasons for the disapproval. The division may provide technical assistance to a sponsor seeking to modify or change a registered program.

Subd. 5. **Notice.** When an application is submitted under subdivision 1 by an employer or employers' association, and where the standards, collective bargaining agreement, or other instrument provides for participation by a union in any manner in the operation of the substantive matters of the apprenticeship program, and the participation is exercised, a written acknowledgment of the union's agreement or a written statement specifying that the union has no objection to the registration is required. Where no union participation is evidenced and practiced, the employer or employers' association shall simultaneously furnish to the union, if any, which functions as the collective bargaining agent of the employees to be trained, a copy of its application for registration and the apprenticeship program. The commissioner shall provide a reasonable time of not less than 30 days nor more than 60 days for receipt of union comments, if any, before final action on the application for registration is taken. Union comments must be submitted to the division during the time period specified by the commissioner.

Subd. 6. **Certificate.** Upon registration of a program, the commissioner shall issue a certificate of registration to the sponsor. Within 30 days after the certificate is mailed or otherwise delivered to the sponsor, the sponsor must submit to the commissioner a copy of at least one executed apprenticeship agreement.

Subd. 7. **Policy requirement.** It must be the policy of the employer and sponsor that the recruitment, selection, employment, and training of apprentices during their apprenticeship must be without discrimination due to race, color, creed, religion, national origin, sex, sexual orientation, marital status, physical or mental disability, receipt of public assistance, or age. The employer and sponsor must take affirmative action to provide equal opportunity in apprenticeship and must operate the apprenticeship program as required under Code of Federal Regulations, title 29, part 30, and under the Minnesota plan for equal opportunity in apprenticeship.

EFFECTIVE DATE. This section is effective January 1, 2015.

Sec. 7. **[178.036] STANDARDS OF APPRENTICESHIP.**

Subdivision 1. **Federal uniformity.** Each program must have an organized, written plan of program standards embodying the terms and conditions of employment, training, and supervision of one or more apprentices in an apprenticeable trade or occupation, as defined in Code of Federal Regulations, title 29, part 29, section 29.4, and subscribed to by a sponsor and employer who has undertaken to carry out the apprentice training program. The program standards must contain the provisions that address each item identified in Code of Federal Regulations, title 29, part 29, section 29.5(b).

Subd. 2. **Standards.** (a) In addition to the requirements in subdivision 1, the program standards must also contain provisions in compliance with paragraphs (b) to (k):

(b) **Related instruction.** A minimum of 144 hours of related instruction is required in each training cycle. At least 50 hours of related safety instruction is required during the term of apprenticeship. Time spent in related instruction cannot be considered as hours of work as required by the job process schedule. Every apprenticeship instructor must meet the Department of Education's requirements for a vocational-technical instructor or be a subject matter expert, which is an individual such as a journeyworker who is recognized within an industry as having expertise in a specific trade or occupation.

(c) **Job process schedule.** Each time-based apprenticeship program must include not less than 2,000 hours of reasonably continuous employment.

(d) **Ratios.** If the apprentice is covered by a collective bargaining agreement, the employer must follow the provisions of the collective bargaining agreement regarding the maximum number of apprentices to be employed at the work site for each journeyworker employed at the same work site. In the absence of a collective bargaining agreement, for the purposes of direct supervision and the safety and instruction of the apprentice, the ratio shall be:

(1) one apprentice for the first journeyworker employed at the work site plus one apprentice for each additional three journeyworkers employed at the work site;

(2) the work site ratio utilized by the majority of registered apprenticeship agreements in the same trade or occupation; or

(3) a program-specific ratio that has been approved by the Apprenticeship Advisory Board.

(e) **Graduated schedule of wages.** The graduated schedule of wages for an apprenticeship program shall be calculated as a percentage of the journeyworker rate in the majority of registered apprenticeship agreements in the same trade or occupation in the state. If there are no registered apprenticeship agreements in the same trade or occupation, the graduated schedule of wages may be determined by the sponsor.

(f) **Probationary period.** The standards must provide a period of probation of not more than 500 hours of employment and instruction extending over not more than four months, during which time the apprenticeship agreement shall be terminated by the director upon written request of either party, and providing that after such probationary period the apprenticeship agreement may be terminated by the director by mutual agreement of all parties thereto, or terminated by the director for good and sufficient reason.

(g) **Dispute resolution.** The program standards must include a provision that controversies or differences concerning the terms of the apprenticeship agreement which cannot be resolved by the parties thereto, or which are not covered by a collective bargaining agreement, may be submitted to the commissioner for determination as provided for in section 178.09.

(h) **Term of apprenticeship.** The term of apprenticeship may be measured either through:

(1) the time-based approach, which requires completion of at least 2,000 work hours of on-the-job training;

(2) the competency-based approach, which requires the attainment of competency; or

(3) the hybrid approach, which is a blend of the time-based and competency-based approaches.

(i) **Training cycle.** The training cycle for related instruction must be designated in hours, days, or months for each individual trade or occupation included in the standards.

(j) **Responsibilities of the apprentice.** An apprentice employed under the program standards shall agree to be punctual and regular in attendance, and to endeavor to the best of the apprentice's ability to perfect the required skills for the trade or occupation.

(k) **Coordination of apprentices.** The sponsor shall designate a qualified individual as a coordinator of apprentices who shall:

(1) maintain an adequate record of progress in training each apprentice;

(2) be responsible for assuring that the requirements of the applicable learning program are met during the prescribed training term; and

(3) perform other duties as may be assigned by the sponsor relative to the development and operation of an effective program of apprenticeship.

EFFECTIVE DATE. This section is effective January 1, 2015.

Sec. 8. Minnesota Statutes 2012, section 178.041, subdivision 2, is amended to read:

Subd. 2. **Chapter 14 applies.** Rules, modifications, amendments, and repeals thereof which may be issued by the commissioner under this ~~section~~ chapter shall be adopted in accordance with chapter 14 and shall have the force and effect of law.

EFFECTIVE DATE. This section is effective January 1, 2015.

Sec. 9. **[178.044] DETERMINATION OF APPRENTICE WAGES.**

Subdivision 1. **Maximum hours.** The maximum number of hours of work per week shall not exceed either the number prescribed by law or the customary regular number of hours per week for the employees of the company by which the apprentice is employed. Time spent in related and supplemental instruction for any apprentice shall not be included in the maximum number of hours of work per workweek.

Subd. 2. **Overtime.** An apprentice may be allowed to work overtime provided that the overtime work does not conflict with related instruction course attendance. All time in excess of the number of hours of work per week as specified in the apprenticeship agreement shall be considered overtime. For overtime, the apprentice's rate of pay shall be increased by the same percentage as the journeyworker's rate of pay for overtime is increased in the same industry or establishment.

Subd. 3. **Journeyworker wage rate.** If the apprentice is not covered by a collective bargaining agreement, the journeyworker wage rate upon which the apprentice agreement graduated schedule of wages is calculated shall be:

(1) the most current Minnesota state prevailing wage rate determination for the same trade or occupation in the county in which the apprentice's employer is located. If an apprenticeship agreement entered into after January 1, 2015, does not specify fringe benefits, the journeyworker wage rate upon which the apprentice wage rate is calculated must be the total rate listed in the wage determination; or

(2) if there is no Minnesota prevailing wage rate determination for the same trade or occupation in the county in which the apprentice's employer is located, the journeyworker wage may be determined by the sponsor with the approval of the division.

EFFECTIVE DATE. This section is effective January 1, 2015.

Sec. 10. Minnesota Statutes 2012, section 178.07, is amended to read:

178.07 REGISTERED APPRENTICESHIP AGREEMENTS.

Subdivision 1. **Approval required.** All terminations, cancellations, and transfers of apprenticeship agreements shall be approved by the division in writing. The division must be notified in writing by the sponsor within 45 days of all terminations, cancellations, or transfer of apprenticeship agreements.

Subd. 2. **Signatures required.** Apprenticeship agreements shall be signed by the sponsor, and by the apprentice, and if the apprentice is a minor, by a parent or legal guardian. When a minor enters into an apprenticeship agreement under this chapter for a period of learning extending into majority, the apprenticeship agreement shall likewise be binding for such a period as may be covered during the apprentice's majority.

Subd. 3. **Contents.** Every apprenticeship agreement entered into under this chapter shall contain:

(1) the names of the contracting parties, and the signatures required by subdivision 1;

(2) the date of birth, and information as to the race and sex of the apprentice, and, on a voluntary basis, the apprentice's Social Security number;

(3) a statement of the trade, craft, occupation, or business which the apprentice is to be taught, and the time at which the apprenticeship will begin and end;

(3) contact information of the sponsor and the division;

(4) a statement showing of the trade or occupation which the apprentice is to be taught, the date on which the apprenticeship will begin, and the number of hours to be spent by the apprentice in work and the number of hours to be spent in concurrent, supplementary instruction in related subjects, which instruction shall be not less than 144 hours during each year of the apprenticeship term. The maximum number of hours of work per week not including time spent in related and supplemental instruction for any apprentice shall not exceed either the number prescribed by law or the customary regular number of hours per week for the employees of the company by which the apprentice is employed. An apprentice may be allowed to work overtime provided that the overtime work does not conflict with supplementary instruction course attendance. All time in excess of the number of hours of work per week as specified in the apprenticeship agreement shall be considered overtime. For overtime, the apprentice's rate of pay shall be increased by the same percentage as the journeyworker's rate of pay for overtime is increased in the same industry or establishment related instruction;

~~(5) a statement setting forth a schedule of the processes in the trade, occupation, or industry divisions in which the apprentice is to be taught and the approximate time to be spent at each process;~~

~~(6) (5) a statement of the graduated scale of wages to be paid the apprentice and whether the required school time shall be compensated under sections 178.036, subdivision 2, paragraph (e), and 178.044, as applicable;~~

~~(7) (6) a statement providing for a period of probation of not more than 500 hours of employment and instruction extending over not more than four months, during which time the apprenticeship agreement shall be terminated by the director upon written request of either party, and providing that after such probationary period the apprenticeship agreement may be terminated by the director by mutual agreement of all parties thereto, or terminated by the director for good and sufficient reason listing any fringe benefits to be provided to the apprentice;~~

~~(8) a provision that controversies or differences concerning the terms of the apprenticeship agreement which cannot be resolved by the parties thereto, or which are not covered by a collective bargaining agreement, may be submitted to the director for determination as provided for in section 178.09;~~

~~(9) a provision that an employer who is unable to fulfill an obligation under the apprenticeship agreement may, with the approval of the director, transfer such contract to any other employer, provided that the apprentice consents and that such other employer agrees to assume the obligations of the apprenticeship agreement; and~~

~~(7) a statement incorporating as part of the agreement the registered standards of the apprenticeship program on the date of the agreement and as they may be amended during the period of the agreement;~~

~~(8) a statement that the apprentice will be accorded equal opportunity in all phases of apprenticeship employment and training, without discrimination due to race, color, creed, religion, national origin, sex, sexual orientation, marital status, physical or mental disability, receipt of public assistance, or age; and~~

~~(40) (9) such additional terms and conditions as may be prescribed or approved by the ~~director~~ commissioner not inconsistent with the provisions of this chapter.~~

EFFECTIVE DATE. This section is effective January 1, 2015.

Sec. 11. Minnesota Statutes 2012, section 178.09, is amended to read:

178.09 INVESTIGATIONS BY DIRECTOR AND ENFORCEMENT OF APPRENTICESHIP AGREEMENTS.

Subdivision 1. **Complaint.** Upon the complaint of any interested person or upon the ~~director's~~ division's own initiative, the ~~director~~ division may investigate to determine if there has been a violation of the terms of an apprenticeship agreement made under this chapter. Complaints must be made in writing within 60 days of the events giving rise to the complaint and must set forth the specific matters complained of together with relevant facts and circumstances. Copies of pertinent documents and correspondence must accompany the complaint. The ~~director~~ division may conduct such proceedings as are necessary for that investigation and determination. All such proceedings shall be on a fair and impartial basis ~~and shall be conducted according to rules promulgated under section 178.041.~~

Subd. 2. **Determination; appeal.** Within 90 days after the receipt of a complaint, the division must issue a determination. The determination of the ~~director~~ division shall be filed with the commissioner and written notice shall be served on all parties affected by it. Any person aggrieved by any determination or action of the director may appeal to the commissioner. If no appeal is filed with the commissioner within ten days of the date of service, the ~~director's~~ division's determination shall become the final order of the commissioner. If an appeal is filed, the

commissioner shall appoint and convene a hearing board to be composed of three members of the Apprenticeship Advisory Board appointed under section 178.02, one member being a representative of an employer organization, one representative being a member of an employee organization, and one member representing the general public. The board shall hold a hearing on the appeal after due notice to the interested parties and shall submit to the commissioner findings of fact and a recommended decision accompanied by a memorandum of the reasons for it. Within 30 days after submission, the commissioner may adopt the recommended decision of the board, or disregard the recommended decision of the board and prepare a decision based on the findings of fact and accompanied by a memorandum of reasons for that decision. Written notice of the commissioner's determination and order shall be served on all parties affected by it. Any person aggrieved ~~or affected by any~~ the commissioner's determination ~~or order of the commissioner~~ may appeal from it to the district court having jurisdiction at any time within 30 days after the date of the order by service of a written notice of appeal on the commissioner. Upon service of the notice of appeal, the commissioner shall file with the court administrator of the district court to which the appeal is taken a certified copy of the order appealed from, together with findings of fact on which it is based. The person serving a notice of appeal shall, within five days after its service, file it, with proof of service, with the court administrator of the court to which the appeal is taken. The district court shall then have jurisdiction over the appeal and it shall be entered in the records of the district court and tried de novo according to the applicable rules. Any person aggrieved ~~or affected by any determination, order, or decision of the district court~~ may appeal as in other civil cases and order under this section is entitled to judicial review under sections 14.63 to 14.68 in the same manner that a person aggrieved by a final decision in a contested case is entitled to judicial review. The commissioner's determination and order under this section shall be a final decision and order of the department for purposes of sections 14.63 to 14.68.

Subd. 3. Service. Service under this chapter may be by certified first class mail, personal service, or in accordance with any consent to service filed with the commissioner. Service by mail shall be accomplished in the manner provided in Minnesota Rules, part 1400.5550, subpart 2. Personal service shall be accomplished in the manner provided in Minnesota Rules, part 1400.5550, subpart 3.

EFFECTIVE DATE. This section is effective January 1, 2015.

Sec. 12. **[178.091] INVESTIGATIONS AND ENFORCEMENT; APPRENTICESHIP PROGRAMS AND STANDARDS.**

Subdivision 1. Investigations. In order to carry out the purposes of this chapter, the commissioner may investigate registered apprenticeship programs and applicants for program registration to determine whether there are any grounds for deregistration of a registered program or for the denial of an application. Persons requested by the commissioner to provide information or produce documents shall respond within 30 days of the commissioner's service of the request.

Subd. 2. Grounds. (a) The commissioner may deregister a registered apprenticeship program or deny an application for registration if:

(1) the program does not comply with any requirement of Code of Federal Regulations, title 29, part 29 or 32, this chapter, or any rule adopted pursuant to section 178.041;

(2) the program does not have at least one registered apprentice in each trade or occupation, except for the following specified periods of time:

(i) within the first 30 days after the date a program is registered; or

(ii) within one year of the date that a program graduates an apprentice in a trade or occupation and the date of registration for the next apprentice in that trade or occupation; or

(3) the program is not conducted, operated, or administered in accordance with the program's registered standards or with the requirements of this chapter, including but not limited to:

(i) failure to provide on-the-job learning;

(ii) failure to provide related instruction;

(iii) failure of an employer to pay the apprentice a progressively increasing schedule of wages consistent with the apprentice's skills acquired; or

(iv) persistent and significant failure to perform successfully.

(b) The commissioner may deregister an apprenticeship program at the written request of the sponsor in a manner consistent with the provisions of Code of Federal Regulations, title 29, part 29, section 29.8(a).

Subd. 3. **Reinstatement.** If the commissioner deregisters a registered apprenticeship program, the sponsor may request reinstatement not before one year after the effective date of the deregistration. The commissioner may, as a condition of reinstatement, require the sponsor to comply with reasonable conditions the commissioner considers necessary to effectuate the purposes of this chapter.

Subd. 4. **Orders; hearings related to orders.** (a) If the commissioner determines that a registered apprenticeship program should be deregistered or that an application for registration should be denied, the commissioner shall issue to and serve on the sponsor an order deregistering the program's registration or denying the application for registration.

(b) An order issued under this subdivision must specify:

(1) the deficiency and the required remedy or corrective action;

(2) the time period to effectuate the required remedy or corrective action, which shall be no more than 90 days; and

(3) any other requirement consistent with Code of Federal Regulations, title 29, part 29, section 29.8(b).

(c) The sponsor to whom the commissioner issues an order under this subdivision may appeal to a hearing board appointed consistent with section 178.09, subdivision 2.

EFFECTIVE DATE. This section is effective January 1, 2015.

Sec. 13. Minnesota Statutes 2012, section 178.10, is amended to read:

178.10 LIMITATION.

(a) The provisions of this chapter shall have no application to those ~~infants~~ individuals who are apprenticed by the commissioner of corrections pursuant to sections 242.43 and 242.44.

(b) Nothing in this chapter or any apprenticeship agreement operates to invalidate:

(1) any apprenticeship provision in any collective bargaining agreement between employers and employees establishing higher apprenticeship standards; or

(2) any special provision for veterans, minority persons, or women, in the standards, apprentice qualifications, or operation of the program or in the apprenticeship agreement which is not otherwise prohibited by law.

EFFECTIVE DATE. This section is effective January 1, 2015.

Sec. 14. Minnesota Statutes 2012, section 181.723, subdivision 4, is amended to read:

Subd. 4. **Independent contractor.** (a) An individual is an independent contractor and not an employee of the person for whom the individual is performing services in the course of the person's trade, business, profession, or occupation only if the individual ~~is registered with the Department of Labor and Industry, if required under subdivision 4a, and the individual:~~

(1) maintains a separate business with the individual's own office, equipment, materials, and other facilities;

(2)(i) holds or has applied for a federal employer identification number or (ii) has filed business or self-employment income tax returns with the federal Internal Revenue Service if the individual has performed services in the previous year;

(3) is operating under contract to perform the specific services for the person for specific amounts of money and under which the individual controls the means of performing the services;

(4) is incurring the main expenses related to the services that the individual is performing for the person under the contract;

(5) is responsible for the satisfactory completion of the services that the individual has contracted to perform for the person and is liable for a failure to complete the services;

(6) receives compensation from the person for the services performed under the contract on a commission or per-job or competitive bid basis and not on any other basis;

(7) may realize a profit or suffer a loss under the contract to perform services for the person;

(8) has continuing or recurring business liabilities or obligations; and

(9) the success or failure of the individual's business depends on the relationship of business receipts to expenditures.

An individual who is not registered, if required by section 326B.701, is presumed to be an employee of a person for whom the individual performs services in the course of the person's trade, business, profession, or occupation. The person for whom the services were performed may rebut this presumption by showing that the unregistered individual met all nine factors in this paragraph at the time the services were performed.

(b) If an individual is an owner or partial owner of a business entity, the individual is an employee of the person for whom the individual is performing services in the course of the person's trade, business, profession, or occupation, and is not an employee of the business entity in which the individual has an ownership interest, unless:

(1) the business entity meets the nine factors in paragraph (a);

(2) invoices and payments are ~~submitted~~ in the name of the business entity; and

(3) the business entity is registered with the secretary of state, if required; ~~and.~~

~~(4) the business entity is registered with the Department of Labor and Industry, if required under subdivision 4a.~~

If the business entity in which the individual has an ownership interest is not registered, if required by section 326B.701, the individual is presumed to be an employee of a person for whom the individual performs services and not an employee of the business entity in which the individual has an ownership interest. The person for whom the services were performed may rebut the presumption by showing that the business entity met the requirements of clauses (1) to (3) at the time the services were performed.

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

Sec. 15. Minnesota Statutes 2012, section 181.723, subdivision 4a, is amended to read:

Subd. 4a. **Applicability; registration pilot project requirement.** ~~(a) The commissioner shall implement a pilot project, effective July 1, 2012, for the registration of Persons who perform public or private sector commercial or residential building construction or improvement services as described in subdivision 2 must register with the commissioner as provided in this section. The purpose of the pilot project is to evaluate whether the information obtained through registration assists registration is to assist the Department of Labor and Industry, the Department of Employment and Economic Development, and the Department of Revenue to enforce laws related to misclassification of employees. The commissioner shall issue a report to the legislature no later than January 1, 2014, on recommendations for amendments to the registration program, including reasonable registration fees to be used to aid in enforcing misclassification laws. The commissioner must not charge a fee for registration under the pilot project, but may take the enforcement action specified in subdivision 8a. The pilot project shall expire on June 30, 2014, unless extended by the legislature.~~

(b) Except as provided in paragraph (c), any person who performs construction services in the state on or after September 15, 2012, must register with the commissioner as provided in ~~subdivision 5~~ section 326B.701 before performing construction services for another person. The requirements for registration under ~~this subdivision~~ section 326B.701 are not a substitute for, and do not relieve a person from complying with, any other law requiring that the person be licensed, registered, or certified.

(c) The registration requirements in ~~this subdivision~~ section 326B.701 do not apply to:

(1) a person who, at the time the person is performing the construction services, holds a current license, certificate, or registration under chapter 299M or 326B;

(2) a person who holds a current independent contractor exemption certificate issued under this section that is in effect on September 15, 2012, except that the person must register under ~~this section~~ 326B.701 no later than the date the exemption certificate expires, is revoked, or is canceled;

(3) a person who has given a bond to the state under section 326B.197 or 326B.46;

(4) an employee of the person performing the construction services, if the person was in compliance with laws related to employment of the individual at the time the construction services were performed;

(5) an architect or professional engineer engaging in professional practice as defined in section 326.02, subdivisions 2 and 3;

(6) a school district or technical college governed under chapter 136F;

(7) a person providing construction services on a volunteer basis, including but not limited to Habitat for Humanity and Builders Outreach Foundation, and their individual volunteers when engaged in activities on their behalf; or

(8) a person exempt from licensing under section 326B.805, subdivision 6, clause (5).

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

Sec. 16. Minnesota Statutes 2012, section 181.723, subdivision 5, is amended to read:

Subd. 5. **Registration application.** (a) Persons required to register under ~~subdivision 4a~~ section 326B.701 must submit electronically, in the manner prescribed by the commissioner, a complete application according to paragraphs (b) to (d).

(b) A complete application must include all of the following information about any individual who is registering as an individual or a sole proprietor, or who owns 25 percent or more of a business entity being registered:

- (1) the individual's full legal name and title at the applicant's business;
- (2) the individual's business address and telephone number;
- (3) the percentage of the applicant's business owned by the individual; and
- (4) the individual's Social Security number.

(c) A complete application must also include the following information:

(1) the applicant's legal name; assumed name filed with the secretary of state, if any; designated business address; physical address; telephone number; and e-mail address;

(2) the applicant's Minnesota tax identification number, if one is required or has been issued;

(3) the applicant's federal employer identification number, if one is required or has been issued;

(4) evidence of the active status of the applicant's business filings with the secretary of state, if one is required or has been issued;

(5) whether the applicant has any employees at the time the application is filed;

(6) the names of all other persons with an ownership interest in the business entity who are not identified in paragraph (b), and the percentage of the interest owned by each person, except that the names of shareholders with less than ten percent ownership in a publicly traded corporation need not be provided;

(7) information documenting compliance with workers' compensation and unemployment insurance laws;

(8) a certification that the person signing the application has: reviewed it; determined that the information provided is true and accurate; and determined that the person signing is authorized to sign and file the application as an agent of the applicant. The name of the person signing, entered on an electronic application, shall constitute a valid signature of the agent on behalf of the applicant; and

(9) a signed authorization for the Department of Labor and Industry to verify the information provided on or with the application.

(d) A registered person must notify the commissioner within 15 days after there is a change in any of the information on the application as approved. This notification must be provided electronically in the manner prescribed by the commissioner. However, if the business entity structure, legal form of the business entity, or business ownership has changed, the person must submit a new registration application and registration fee, if any, for the new business entity.

(e) The registered person must remain registered while providing construction services for another person. The provisions of sections 326B.091 ~~and~~, 326B.094 ~~to~~, 326B.095, and 326B.097 apply to ~~this~~ section 326B.701. A person with an expired registration shall not provide construction services for another person if registration is required under this section. Registration application and expiration time frames are as follows:

(1) all registrations issued on or before June 30, 2015, expire on June 30, 2015;

(2) all registrations issued after June 30, 2015, expire on the following June 30 of each odd-numbered year; and

(3) a person may submit a registration or renewal application starting April 1 of the year the registration expires. If a renewal application is submitted later than May 1 of the expiration year, registration may expire before the department has issued or denied the registration.

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

Sec. 17. Minnesota Statutes 2012, section 181.723, subdivision 7, is amended to read:

Subd. 7. **Prohibited activities related to independent contractor status.** (a) The prohibited activities in this subdivision are in addition to those prohibited in sections 326B.081 to 326B.085.

(b) An individual shall not hold himself or herself out as an independent contractor unless the individual meets the requirements of subdivision 4.

(c) A person who provides construction services in the course of the person's trade, business, occupation, or profession shall not:

(1) require an individual through coercion, misrepresentation, or fraudulent means to adopt independent contractor status or form a business entity;

(2) knowingly misrepresent or misclassify an individual as an independent contractor;

Subd. 7a. Prohibited activities related to registration. (a) The prohibited activities in this subdivision are in addition to those prohibited in sections 326B.081 to 326B.085.

(b) A person who provides construction services in the course of the person's trade, business, occupation, or profession shall not:

(1) contract with or perform construction services for another person without first being registered if required by ~~subdivision 4a~~ section 326B.701;

(4) (2) contract with or pay another person to perform construction services if the other person is not registered if required by subdivision 4a. All payments to an unregistered person for construction services on a single project site shall be considered a single violation. It is not a violation of this clause:

(i) for a person to contract with or pay an unregistered person if the unregistered person was registered at the time the contract for construction services was entered into; or

(ii) for a homeowner or business to contract with or pay an unregistered person if the homeowner or business is not in the trade, business, profession, or occupation of performing building construction or improvement services; or

(5) (3) be penalized for violations of this subdivision that are committed by another person. This clause applies only to violations of this paragraph.

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

Sec. 18. Minnesota Statutes 2012, section 181.723, subdivision 8a, is amended to read:

Subd. 8a. **Enforcement; remedies; and penalties.** (a) Notwithstanding the maximum penalty amount in section 326B.082, subdivisions 7 and 12, the maximum penalty for failure to register is \$2,000, but the commissioner shall forgive the penalty if the person registers within 30 days of the date of the penalty order.

(b) The penalty for contracting with or paying an unregistered person to perform construction services in violation of subdivision 7a, paragraph (b), clause (2), shall be as provided in section 326B.082, subdivisions 7 and 12, but the commissioner shall forgive the penalty for the first violation.

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

Sec. 19. Minnesota Statutes 2012, section 326B.106, subdivision 2, is amended to read:

Subd. 2. **Public buildings and state-licensed facilities; administration by commissioner.** Unless the commissioner has entered into an agreement under subdivision 2a or 2b, the commissioner shall administer and enforce the State Building Code as a municipality with respect to public buildings and state-licensed facilities in the state. The commissioner shall establish appropriate permit, plan review, inspection fees, and surcharges for public buildings and state-licensed facilities.

~~Municipalities other than the state having an agreement with the commissioner for code administration and enforcement service for public buildings and state-licensed facilities shall charge their customary fees, including surcharge, to be paid directly to the jurisdiction by the applicant seeking authorization to construct a public building or a state-licensed facility. The commissioner shall sign an agreement with a municipality other than the state for plan review, code administration, and code enforcement service for public buildings and state-licensed facilities in the jurisdiction if the building officials of the municipality meet the requirements of section 326B.133 and wish to provide those services and if the commissioner determines that the municipality has enough adequately trained and qualified building inspectors to provide those services for the construction project.~~

~~The commissioner may direct the state building official to assist a community that has been affected by a natural disaster with building evaluation and other activities related to building codes.~~

~~Administration and enforcement in a municipality under this section must apply any optional provisions of the State Building Code adopted by the municipality. A municipality adopting any optional code provision shall notify the state building official within 30 days of its adoption.~~

~~The commissioner shall administer and enforce the provisions of the code relating to elevators statewide, except as provided for under section 326B.184, subdivision 4.~~

Sec. 20. Minnesota Statutes 2012, section 326B.106, is amended by adding a subdivision to read:

Subd. 2a. Public buildings and state-licensed facilities; municipal agreement for all building projects. (a) The commissioner shall enter into an agreement with a municipality other than the state for plan review, inspection, code administration, and code enforcement on public buildings and state-licensed facilities in the jurisdiction if the municipality requests to provide those services and the commissioner determines that the municipality has enough adequately trained and qualified inspectors to provide those services. In determining whether a municipality has enough adequately trained and qualified inspectors to provide the service, the commissioner must consider all inspectors who are employed by the municipality, are under contract with the municipality to provide inspection services, or are obligated to provide inspection services to the municipality under any other lawful agreement.

(b) The criteria used to make this determination shall be provided in writing to the municipality requesting an agreement.

(c) If the commissioner determines that the municipality lacks enough adequately trained and qualified inspectors to provide the required services, a written explanation of the deficiencies shall be provided to the municipality.

(d) The municipality shall be given an opportunity to remedy any deficiencies and request reconsideration of the commissioner's determination. A request for reconsideration must be in writing and accompanied by substantiating documentation. A request for reconsideration must be received by the commissioner within 90 days of the determination explanation. The commissioner shall review the information and issue a final determination to the municipality within 30 days of the request.

(e) A municipality aggrieved by a final decision of the commissioner to not enter into an agreement may appeal to be heard as a contested case in accordance with chapter 14.

Sec. 21. Minnesota Statutes 2012, section 326B.106, is amended by adding a subdivision to read:

Subd. 2b. Public buildings and state-licensed facilities; municipal agreement for certain building projects. The commissioner shall enter into an agreement with a municipality other than the state for inspection, code administration, and code enforcement of reserved projects occurring on public buildings and state-licensed facilities in its jurisdiction if the municipality has a designated building official as required by section 326B.133 and requests to provide those services.

For purposes of this subdivision, "reserved projects" includes the following:

- (1) roof covering replacement that does not add roof load;
- (2) towers requiring special inspection;
- (3) single-level storage buildings not exceeding 5,000 square feet;
- (4) exterior maintenance work, including replacement of siding, windows, and doors;
- (5) HVAC unit replacement that does not add roof load or ventilation capacity;
- (6) accessibility upgrades not involving building additions or structural alterations;

(7) remodeling that does not change the building's occupancy, structural system, exit access or discharge pattern, or mechanical load; and

(8) other projects determined to be reserved by the commissioner.

Sec. 22. Minnesota Statutes 2012, section 326B.106, is amended by adding a subdivision to read:

Subd. 2c. **Municipal fees.** Municipalities other than the state having an agreement under subdivision 2a with the commissioner for code administration and enforcement service for public buildings and state-licensed facilities or inspecting under authority of subdivision 2b shall charge their customary fees, including surcharge, to be paid directly to the jurisdiction by the applicant seeking authorization to construct a public building or a state-licensed facility.

Sec. 23. Minnesota Statutes 2012, section 326B.106, is amended by adding a subdivision to read:

Subd. 2d. **Public buildings and state-licensed facilities; municipal obligation.** An agreement with the commissioner under subdivision 2a or 2b must require the municipality to attend to applicable aspects of code administration and enforcement as described in the agreement and established by rule.

Sec. 24. Minnesota Statutes 2012, section 326B.106, is amended by adding a subdivision to read:

Subd. 2e. **Public buildings and state-licensed facilities; applicable code.** Administration and enforcement in a municipality under subdivisions 2a and 2b must apply any optional provisions of the State Building Code adopted by the municipality. A municipality adopting any optional code provision shall notify the state building official within 30 days of its adoption.

Sec. 25. Minnesota Statutes 2012, section 326B.106, is amended by adding a subdivision to read:

Subd. 2f. **Natural disasters.** The commissioner may direct the state building official to assist a community that has been affected by a natural disaster with building evaluation and other activities related to building codes.

Sec. 26. Minnesota Statutes 2012, section 326B.106, is amended by adding a subdivision to read:

Subd. 2g. **Elevators.** The commissioner shall administer and enforce the provisions of the code relating to elevators statewide, except as provided for under section 326B.184, subdivision 4.

Sec. 27. **[326B.701] CONSTRUCTION CONTRACTOR REGISTRATION.**

The following definition applies to this section: "business entity" means a person other than an individual or a sole proprietor.

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

Sec. 28. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall replace the phrase "Division of Voluntary Apprenticeship" with the word "division" in Minnesota Rules, chapter 5200.

EFFECTIVE DATE. This section is effective January 1, 2015.

Sec. 29. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall renumber the citations in column A with the citations in column B. The revisor shall correct any cross-references required because of the renumbering and may make necessary grammatical and technical changes, including changes to sentence structure, to preserve the meaning of the text.

<u>Column A</u>	<u>Column B</u>
<u>326B.701</u>	<u>326B.701, subd. 1, paragraphs (a) and (b)</u>
<u>181.723, subd. 1, paragraph (g)</u>	<u>326B.701, subd. 1, paragraph (c)</u>
<u>181.723, subd. 4a</u>	<u>326B.701, subd. 2</u>
<u>181.723, subd. 5</u>	<u>326B.701, subd. 3</u>
<u>181.723, subd. 5a</u>	<u>326B.701, subd. 4</u>
<u>181.723, subd. 7a</u>	<u>326B.701, subd. 5</u>
<u>181.723, subd. 8a</u>	<u>326B.701, subd. 6</u>
<u>181.723, subd. 10a</u>	<u>326B.701, subd. 7</u>
<u>181.723, subd. 16</u>	<u>326B.701, subd. 8</u>

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

Sec. 30. **REPEALER.**

(a) Minnesota Statutes 2012, sections 178.03, subdivision 2; 178.05; 178.06; and 178.08, are repealed.

(b) Minnesota Rules, parts 5200.0300; 5200.0310; 5200.0320, subparts 1, 2, 3, 4, 5, 7, 9, 10, 11, 12, 13, 14, and 15; 5200.0340; 5200.0360; and 5200.0390, are repealed.

EFFECTIVE DATE. This section is effective January 1, 2015."

Renumber the sections in sequence and correct the internal references

Correct the title numbers accordingly

Delete the title and insert:

"A bill for an act relating to state government; extending an independent contractor pilot program; making federal conformity changes to the apprenticeship program; modifying municipal building code enforcement for certain public buildings; modifying the Agricultural Utilization Research Institute board of directors; amending Minnesota Statutes 2012, sections 116V.01, subdivision 2; 178.02; 178.03; 178.041, subdivision 2; 178.07; 178.09; 178.10; 181.723, subdivisions 4, 4a, 5, 7, 8a; 326B.106, subdivision 2, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 178; 326B; repealing Minnesota Statutes 2012, sections 178.03, subdivision 2; 178.05; 178.06; 178.08; Minnesota Rules, parts 5200.0300; 5200.0310; 5200.0320, subparts 1, 2, 3, 4, 5, 7, 9, 10, 11, 12, 13, 14, 15; 5200.0340; 5200.0360; 5200.0390."

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

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

H. F. No. 2373, A bill for an act relating to state government; requiring certificates of pay equity compliance as a condition for certain state contracts; classifying data; requiring a report; appropriating money; amending Minnesota Statutes 2012, section 13.552, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 16C; 363A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2012, section 13.552, is amended by adding a subdivision to read:

Subd. 7. **Equal pay certificate of compliance.** Access to data relating to equal pay certificates of compliance is governed by section 363A.44.

Sec. 2. **[363A.44] EQUAL PAY CERTIFICATE OF COMPLIANCE.**

Subdivision 1. **Equal pay certificate of compliance.** No department or agency of the state may execute a contract in excess of \$500,000 with a business that has 50 or more full-time employees in this state or a state where the business has its primary place of business on a single working day during the previous 12 months unless the business has an equal pay certificate of compliance. This section does not apply to a contract with the Department of Human Services for the primary purpose of providing health care services. The commissioner shall issue an equal pay certificate of compliance to a business that submits to the commissioner a statement that:

(1) its compensation policies or practices are based on the principle of equal pay for equal work, and are in compliance with Title VII of the Civil Rights Act of 1964, the Equal Pay Act of 1963, the Minnesota Human Rights Act, and the Minnesota Equal Pay for Equal Work Law;

(2) its wage schedules and other compensation formulas are not related to, or based on, the sex of its employees;

(3) it does not restrict employees of one sex to certain job classifications and makes retention and promotion of qualified employees without regard to sex;

(4) its contributions to insurance, pensions, and other benefit plans are not related to, or based on, the sex of its employees;

(5) for the job classes expected to perform work under the contract, within each of the major job categories in the EEO-1 employee information report, the compensation for its female employees is not consistently below the compensation for its male employees, taking into account factors such as requirements of specific job classes within each major category, length of service, experience, and market conditions.

Subd. 2. **Application; issuance; duration.** A business applying for a certificate of compliance must pay a \$150 fee to the commissioner. The commissioner must issue a business an equal pay certificate of compliance, or a statement of why the application was rejected, within 15 days of receipt of the application and the filing fee. An equal pay certificate of compliance is valid for four years. Proceeds of the filing fee are appropriated to the commissioner for purposes of this section.

Subd. 3. **Conditions; audit.** (a) As a condition of receiving an equal pay certificate of compliance, and as a condition of the contract that is subject to this section, a business must agree that:

(1) the commissioner may audit the business' compliance with this section; and

(2) the commissioner or the agency entering into the contract may void a contract if the commissioner determines that the business is not in compliance with items specified in subdivision 1, clauses (1) to (5).

(b) As a condition of receiving an equal pay certificate of compliance, and as a condition of the contract that is subject to this section, a business must agree that as part of an audit, the business will provide the commissioner the following information with respect to employees in each of the major job categories in the EEO-1 employee information report:

(1) number of male employees;

(2) number of female employees;

(3) salaries paid to male employees and to female employees within each major job category;

(4) information on performance payments, benefits, or other elements of compensation, if requested by the commissioner as part of a determination as to whether these elements of compensation are different for male and female employees;

(5) average length of service for male and female employees in each job category; and

(6) other information identified by the business or by the commissioner, as needed, to determine compliance with items specified in subdivision 1, clauses (1) to (5).

Subd. 4. **Compliance plan; revocation of certificate.** If the commissioner determines that a business that has an equal pay certificate of compliance is not in compliance with subdivision 1, clauses (1) to (5), the commissioner may require the business to implement an equal pay certificate of compliance plan as a condition of retaining its certificate of compliance. The commissioner may suspend or revoke a certificate if the commissioner determines that the business is not in compliance with items specified in subdivision 1, clauses (1) to (5).

Subd. 5. **Voiding of contract.** Prior to taking action to void a contract, the commissioner must first demonstrate that no undue hardship would occur to the state and that obtaining wages and benefits due to employees of the business is an insufficient remedy. Multiple violations of the law or evidence of deliberate intent to discriminate by the certificate holder may be sufficient justification for the commissioner to void a contract.

Subd. 6. **Administrative review.** A business may obtain a hearing when the commissioner issues an order directing a contract voided or an equal pay certificate of compliance revoked by filing a written request for a hearing with the department within 20 days after service of the notice of sanction. The hearing shall be a contested case proceeding pursuant to sections 14.57 to 14.69.

Subd. 7. **Technical assistance.** The commissioner must provide technical assistance to any business that requests assistance.

Subd. 8. **Access to data.** Data submitted to the commissioner by a contractor or potential contractor for purposes of obtaining a certificate of compliance under this section, or in response to an audit under this section, are private data on individuals or nonpublic data with respect to persons other than Department of Human Rights employees. The commissioner's decision to grant, not grant, revoke, or suspend a certificate of compliance is public data.

EFFECTIVE DATE. This section is effective August 1, 2014, and applies to a contract for which a state department or agency issues a solicitation on or after that date.

Sec. 3. **REPORT.**

The commissioner of human rights shall report to the governor and the chairs and ranking minority members of the committees in the senate and the house of representatives with primary jurisdiction over the department by January 31, 2016. The report shall indicate the number of equal pay certificates issued, the number of audits conducted, and a summary of its auditing efforts. The commissioner shall consult with the Office on the Economic Status of Women in preparing the report."

Amend the title as follows:

Page 1, line 2, delete "pay equity compliance" and insert "equal pay"

Page 1, line 3, delete "state" and insert "public"

Correct the title numbers accordingly

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

The report was adopted.

Marquart from the Committee on Education Finance to which was referred:

H. F. No. 2397, A bill for an act relating to education; providing for policy and technical modifications in early childhood and family, kindergarten through grade 12, and adult education including general education, education excellence, English learners and language proficiency, special programs, nutrition, libraries, unsession and conforming changes; amending Minnesota Statutes 2012, sections 13.32, subdivision 6; 119A.535; 120A.22, subdivision 2; 120A.32; 120B.022; 120B.12; 120B.35, subdivision 4; 121A.36; 121A.582, subdivision 1; 122A.06, subdivision 4; 122A.09, subdivision 7; 122A.14, subdivisions 2, 3; 122A.18, subdivisions 2a, 4; 122A.19; 122A.40, subdivisions 5, 13; 122A.41, subdivisions 2, 6; 122A.413, subdivision 2; 122A.414, subdivision 2; 122A.48, subdivision 3; 122A.60, subdivisions 1a, 2, 3; 122A.68, subdivision 3; 122A.74; 123A.06, subdivision 2; 123B.04, subdivision 4; 123B.147, subdivision 3; 123B.88, subdivision 1; 124D.03, subdivisions 3, 4, 5, 6, by adding a subdivision; 124D.08, by adding a subdivision; 124D.09, subdivision 9; 124D.111, subdivision 3; 124D.13, subdivision 2; 124D.141, subdivision 3; 124D.15, subdivision 3; 124D.49, subdivision 3; 124D.52, as amended; 124D.522; 124D.59, subdivision 2, by adding a subdivision; 124D.895; 124D.8955; 124D.896; 125A.023, subdivisions 3, 4; 125A.027, subdivisions 1, 4; 125A.03; 125A.08; 125A.22; 127A.065; 127A.41, subdivision 7; 127A.70, by adding a subdivision; 128C.02, subdivision 5; 134.355, subdivision 8; 260D.06, subdivision 2; Minnesota Statutes 2013 Supplement, sections 120A.22, subdivision 5; 120B.021, subdivision 4; 120B.11; 120B.115; 120B.125; 120B.30, subdivision 1; 120B.35, subdivision 3; 120B.36, subdivision 1; 122A.09, subdivision 4; 122A.18, subdivision 2; 122A.23, subdivision 2; 122A.40, subdivision 8; 122A.41, subdivision 5; 124D.10, subdivisions 1, 3, 4, 6, 6a, 8, 9, 17a, 17b; 124D.11, subdivision 4; 124D.165, subdivisions 2, 4; 124D.4531, subdivisions 1, 3, 3a; 124D.52, subdivision 8; 124D.861, subdivision 3; 125A.0942; 125A.30; 127A.70, subdivision 2; 626.556, subdivision 2; Laws 2011, First Special Session chapter 11, article 2, section 12; Laws 2012, chapter 263, section 1; Laws 2013, chapter 116, article 5, section 31, subdivision 8; proposing coding for new law in Minnesota Statutes, chapters 123A; 124D; repealing Minnesota Statutes 2012, sections 119A.04, subdivision 3; 119A.08; 120A.30; 120B.19; 120B.24; 121A.17, subdivision 9; 122A.19, subdivision 3; 122A.52; 122A.53; 122A.61, subdivision 2; 123B.15; 123B.16; 123B.17; 123B.18; 123B.26; 123B.27; 124D.24; 124D.25; 124D.26; 124D.27; 124D.28; 124D.29; 124D.30; 124D.31; 125A.027, subdivision 3.

Reported the same back with the following amendments:

Page 3, line 25, delete "4" and insert "3"

Page 4, line 20, delete "4" and insert "3"

Page 19, line 9, delete "Continuing education programs, among other things, must provide" and insert "The board shall require"

Page 19, line 10, delete "with" and insert "to periodically receive"

Page 21, line 6, delete "using" and insert "how to use"

Page 32, line 14, after "with" insert "the Minnesota State University Mankato or"

Page 52, delete section 1

Page 53, delete section 3

Page 65, after line 11, insert:

"Sec. 9. Minnesota Statutes 2012, section 120B.31, is amended by adding a subdivision to read:

Subd. 5. Parent information. To ensure the effective involvement of parents and to support a partnership between the school and parents, each district shall provide parents a timely written summary, in an electronic or other format, of their student's current and longitudinal performance and progress on the state's academic content standards as measured by state assessments. Providing parents with a summary prepared by the Department of Education fulfills the requirements of this subdivision.

Page 73, line 24, delete "without need for additional"

Page 73, line 25, delete the new language

Page 74, line 33, delete "January" and insert "July"

Page 74, delete section 15 and insert:

"Sec. 16. Minnesota Statutes 2013 Supplement, section 122A.40, subdivision 8, is amended to read:

Subd. 8. Development, evaluation, and peer coaching for continuing contract teachers. (a) To improve student learning and success, a school board and an exclusive representative of the teachers in the district, consistent with paragraph (b), may develop a teacher evaluation and peer review process for probationary and continuing contract teachers through joint agreement. If a school board and the exclusive representative of the teachers do not agree to an annual teacher evaluation and peer review process, then the school board and the exclusive representative of the teachers must implement the state teacher evaluation plan ~~for evaluation and review~~ under paragraph (c). The process must include having trained observers serve as peer coaches ~~or having teachers participate in professional learning communities~~, consistent with paragraph (b).

(b) To develop, improve, and support qualified teachers and effective teaching practices and improve student learning and success, the annual evaluation process for teachers:

(1) must, for probationary teachers, provide for all evaluations required under subdivision 5;

(2) must establish a three-year professional review cycle for each teacher that includes an individual growth and development plan, a peer review process, ~~the opportunity to participate in a professional learning community under paragraph (a)~~, and at least one summative evaluation performed by a qualified and trained evaluator such as a school administrator. For the years when a tenured teacher is not evaluated by a qualified and trained evaluator, the teacher must be evaluated by a peer review;

(3) must be based on professional teaching standards established in rule;

(4) must coordinate staff development activities under sections 122A.60 and 122A.61 with this evaluation process and teachers' evaluation outcomes;

(5) may provide time during the school day and school year for peer coaching and teacher collaboration;

(6) may include job-embedded learning opportunities such as professional learning communities;

(7) may include mentoring and induction programs;

~~(7)~~ (8) must include an option for teachers to develop and present a portfolio demonstrating evidence of reflection and professional growth, consistent with section 122A.18, subdivision 4, paragraph (b), and include teachers' own performance assessment based on student work samples and examples of teachers' work, which may include video among other activities for the summative evaluation;

~~(8)~~ (9) must use data from valid and reliable assessments aligned to state and local academic standards and must use state and local measures of student growth that may include value-added models or student learning goals to determine 35 percent of teacher evaluation results;

~~(9)~~ (10) must use longitudinal data on student engagement and connection, and other student outcome measures explicitly aligned with the elements of curriculum for which teachers are responsible;

~~(10)~~ (11) must require qualified and trained evaluators such as school administrators to perform summative evaluations and ensure school districts and charter schools provide for effective evaluator training specific to teacher development and evaluation;

~~(11)~~ (12) must give teachers not meeting professional teaching standards under clauses (3) through ~~(10)~~ (11) support to improve through a teacher improvement process that includes established goals and timelines; and

~~(12)~~ (13) must discipline a teacher for not making adequate progress in the teacher improvement process under clause ~~(11)~~ (12) that may include a last chance warning, termination, discharge, nonrenewal, transfer to a different position, a leave of absence, or other discipline a school administrator determines is appropriate.

Data on individual teachers generated under this subdivision are personnel data under section 13.43. The observation and interview notes of peer coaches may only be disclosed to other school officials with the consent of the teacher being coached.

(c) The department, in consultation with parents who may represent parent organizations and teacher and administrator representatives appointed by their respective organizations, representing the Board of Teaching, the Minnesota Association of School Administrators, the Minnesota School Boards Association, the Minnesota Elementary and Secondary Principals Associations, Education Minnesota, and representatives of the Minnesota Assessment Group, the Minnesota Business Partnership, the Minnesota Chamber of Commerce, and Minnesota postsecondary institutions with research expertise in teacher evaluation, must create and publish a teacher evaluation process that complies with the requirements in paragraph (b) and applies to all teachers under this section and

section 122A.41 for whom no agreement exists under paragraph (a) for an annual teacher evaluation and peer review process. The teacher evaluation process created under this subdivision does not create additional due process rights for probationary teachers under subdivision 5.

EFFECTIVE DATE. This section is effective for revenue for the 2014-2015 school year and later."

Page 77, line 12, delete "January" and insert "July"

Page 77, delete section 17 and insert:

"Sec. 18. Minnesota Statutes 2013 Supplement, section 122A.41, subdivision 5, is amended to read:

Subd. 5. **Development, evaluation, and peer coaching for continuing contract teachers.** (a) To improve student learning and success, a school board and an exclusive representative of the teachers in the district, consistent with paragraph (b), may develop an annual teacher evaluation and peer review process for probationary and nonprobationary teachers through joint agreement. If a school board and the exclusive representative of the teachers in the district do not agree to an annual teacher evaluation and peer review process, then the school board and the exclusive representative of the teachers must implement the state teacher evaluation plan for evaluation and review developed under paragraph (c). The process must include having trained observers serve as peer coaches or having teachers participate in professional learning communities, consistent with paragraph (b).

(b) To develop, improve, and support qualified teachers and effective teaching practices and improve student learning and success, the annual evaluation process for teachers:

(1) must, for probationary teachers, provide for all evaluations required under subdivision 2;

(2) must establish a three-year professional review cycle for each teacher that includes an individual growth and development plan, a peer review process, ~~the opportunity to participate in a professional learning community under paragraph (a)~~, and at least one summative evaluation performed by a qualified and trained evaluator such as a school administrator;

(3) must be based on professional teaching standards established in rule;

(4) must coordinate staff development activities under sections 122A.60 and 122A.61 with this evaluation process and teachers' evaluation outcomes;

(5) may provide time during the school day and school year for peer coaching and teacher collaboration;

(6) may include job-embedded learning opportunities such as professional learning communities;

~~(7)~~ may include mentoring and induction programs;

~~(7)~~ (8) must include an option for teachers to develop and present a portfolio demonstrating evidence of reflection and professional growth, consistent with section 122A.18, subdivision 4, paragraph (b), and include teachers' own performance assessment based on student work samples and examples of teachers' work, which may include video among other activities for the summative evaluation;

~~(8)~~ (9) must use data from valid and reliable assessments aligned to state and local academic standards and must use state and local measures of student growth that may include value-added models or student learning goals to determine 35 percent of teacher evaluation results;

~~(9)~~ (10) must use longitudinal data on student engagement and connection and other student outcome measures explicitly aligned with the elements of curriculum for which teachers are responsible;

~~(40)~~ (11) must require qualified and trained evaluators such as school administrators to perform summative evaluations and ensure school districts and charter schools provide for effective evaluator training specific to teacher development and evaluation;

~~(44)~~ (12) must give teachers not meeting professional teaching standards under clauses (3) through ~~(40)~~ (11) support to improve through a teacher improvement process that includes established goals and timelines; and

~~(42)~~ (13) must discipline a teacher for not making adequate progress in the teacher improvement process under clause ~~(44)~~ (12) that may include a last chance warning, termination, discharge, nonrenewal, transfer to a different position, a leave of absence, or other discipline a school administrator determines is appropriate.

Data on individual teachers generated under this subdivision are personnel data under section 13.43. The observation and interview notes of peer coaches may only be disclosed to other school officials with the consent of the teacher being coached.

(c) The department, in consultation with parents who may represent parent organizations and teacher and administrator representatives appointed by their respective organizations, representing the Board of Teaching, the Minnesota Association of School Administrators, the Minnesota School Boards Association, the Minnesota Elementary and Secondary Principals Associations, Education Minnesota, and representatives of the Minnesota Assessment Group, the Minnesota Business Partnership, the Minnesota Chamber of Commerce, and Minnesota postsecondary institutions with research expertise in teacher evaluation, must create and publish a teacher evaluation process that complies with the requirements in paragraph (b) and applies to all teachers under this section and section 122A.40 for whom no agreement exists under paragraph (a) for an annual teacher evaluation and peer review process. The teacher evaluation process created under this subdivision does not create additional due process rights for probationary teachers under subdivision 2.

EFFECTIVE DATE. This section is effective for revenue for the 2014-2015 school year and later.

Sec. 19. Minnesota Statutes 2012, section 122A.414, subdivision 2, is amended to read:

Subd. 2. **Alternative teacher professional pay system.** (a) To participate in this program, a school district, intermediate school district, school site, or charter school must have an educational improvement plan under section 122A.413 and an alternative teacher professional pay system agreement under paragraph (b). A charter school participant also must comply with subdivision 2a.

(b) The alternative teacher professional pay system agreement must:

(1) describe how teachers can achieve career advancement and additional compensation;

(2) describe how the school district, intermediate school district, school site, or charter school will provide teachers with career advancement options that allow teachers to retain primary roles in student instruction and facilitate site-focused professional development that helps other teachers improve their skills;

(3) reform the "steps and lanes" salary schedule, prevent any teacher's compensation paid before implementing the pay system from being reduced as a result of participating in this system, ~~and~~ base at least 60 percent of any compensation increase on teacher performance using:

(i) schoolwide student achievement gains under section 120B.35 or locally selected standardized assessment outcomes, or both;

(ii) measures of student achievement growth that may include value-added models or student learning goals, consistent with section 122A.40, subdivision 8, clause (9), or 122A.41, subdivision 5, clause (9); and

(iii) an objective evaluation program that includes:—under section 122A.40, subdivision 8, paragraph (b), clause (2), or 122A.41, subdivision 5, paragraph (b), clause (2)

~~(A) individual teacher evaluations aligned with the educational improvement plan under section 122A.413 and the staff development plan under section 122A.60; and~~

~~(B) objective evaluations using multiple criteria conducted by a locally selected and periodically trained evaluation team that understands teaching and learning;~~

(4) ~~provide integrated ongoing site-based professional development activities for participation in job-embedded learning opportunities such as professional learning communities~~ to improve instructional skills and learning that are aligned with student needs under section 122A.413, consistent with the staff development plan under section 122A.60 and led during the school day by trained teacher leaders such as master or mentor teachers;

(5) allow any teacher in a participating school district, intermediate school district, school site, or charter school that implements an alternative pay system to participate in that system without any quota or other limit; and

(6) encourage collaboration rather than competition among teachers."

Page 85, line 23, delete "124D.061" and insert "124D.085"

Page 99, line 25, delete "prekindergarten" and insert "kindergarten"

Page 107, after line 31, insert:

"Sec. 48. Minnesota Statutes 2012, section 127A.70, subdivision 1, is amended to read:

Subdivision 1. **Establishment; membership.** (a) A P-20 education partnership is established to create a seamless system of education that maximizes achievements of all students, from early childhood through elementary, secondary, and postsecondary education, while promoting the efficient use of financial and human resources. The partnership shall consist of major statewide educational groups or constituencies or noneducational statewide organizations with a stated interest in P-20 education including a representative appointed by the adjutant general of the Minnesota National Guard, among other organizations. The initial membership of the partnership includes the members serving on the Minnesota P-16 Education Partnership and four legislators appointed as follows:

(1) one senator from the majority party and one senator from the minority party, appointed by the Subcommittee on Committees of the Committee on Rules and Administration; and

(2) one member of the house of representatives appointed by the speaker of the house and one member appointed by the minority leader of the house of representatives.

(b) The chair of the P-16 education partnership must convene the first meeting of the P-20 partnership. Prospective members may be nominated by any partnership member and new members will be added with the approval of a two-thirds majority of the partnership. The partnership will also seek input from nonmember organizations whose expertise can help inform the partnership's work.

(c) Partnership members shall be represented by the chief executives, presidents, or other formally designated leaders of their respective organizations, or their designees. The partnership shall meet at least three times during each calendar year.

(d) The P-20 education partnership shall be the state council for the Interstate Compact on Educational Opportunity for Military Children under section 127A.85 with the chair serving as the compact commissioner responsible for administering and managing the state's participation in the compact, including conducting business required under section 127A.85."

Page 110, delete section 49 and insert:

"Sec. 52. **CHASKA SCHOOL START DATE FOR THE 2016-2017 SCHOOL YEAR ONLY.**

Notwithstanding Minnesota Statutes, section 120A.40, or other law to the contrary, for the 2016-2017 school year only, Independent School District No. 112, Chaska, may begin the school year before Labor Day.

EFFECTIVE DATE. This section is effective for the 2016-2017 school year only."

Pages 112 to 113, delete sections 51 to 53

Page 119, lines 24 to 26, delete the new language

Page 121, delete subdivision 2

Page 123, delete section 8

Page 139, delete sections 14 and 15

Page 139, before line 30, insert:

"Sec. 13. **IMPROVING THE ACADEMIC PERFORMANCE OF UNDERACHIEVING STUDENTS THROUGH A MULTITIERED SYSTEM OF EARLY INTERVENTION AND INSTRUCTIONAL SUPPORT.**

The commissioner of education, in consultation with experts and stakeholders, including Department of Educational Psychology faculty at the University of Minnesota and representatives of special education and regular education school administrators and teachers, parents, cooperating school districts, and special education advocacy groups, among others, must develop recommendations, consistent with Minnesota Statutes 2012, section 125A.56, to replace Minnesota Rules, part 3525.1341, for the purpose of improving the academic performance of underachieving students through a multitiered system of early intervention and instructional support. The commissioner, by February 15, 2015, must submit written recommendations, consistent with this section, to the education policy and finance committees of the legislature.

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

Page 146, after line 25, insert:

"ARTICLE 10
INTERSTATE COMPACT

Section 1. [127A.85] INTERSTATE COMPACT ON EDUCATIONAL OPPORTUNITY FOR MILITARY CHILDREN.

ARTICLE I
PURPOSE

It is the purpose of this compact to remove barriers to educational success imposed on children of military families because of frequent moves and deployment of their parents by:

A. facilitating the timely enrollment of children of military families and ensuring that they are not placed at a disadvantage due to difficulty in the transfer of education records from the previous school district(s) or variations in entrance/age requirements.

B. Facilitating the student placement process through which children of military families are not disadvantaged by variations in attendance requirements, scheduling, sequencing, grading, course content, or assessment.

C. Facilitating the qualification and eligibility for enrollment, educational programs, and participation in extracurricular academic, athletic, and social activities.

D. Facilitating the on-time graduation of children of military families.

E. Providing for the promulgation and enforcement of administrative rules implementing the provisions of this compact.

F. Providing for the uniform collection and sharing of information between and among member states, schools, and military families under this compact.

G. Promoting coordination between this compact and other compacts affecting military children.

H. Promoting flexibility and cooperation between the educational system, parents, and the student in order to achieve educational success for the student.

ARTICLE II
DEFINITIONS

As used in this compact, unless the context clearly requires a different construction:

A. "Active duty" means: full-time duty status in the active uniformed service of the United States, including members of the National Guard and Reserve on active duty orders pursuant to United States Code, title 10, sections 1209 and 1211.

B. "Children of military families" means: a school-aged child(ren), enrolled in kindergarten through grade 12, in the household of an active duty member.

C. "Compact commissioner" means: the voting representative of each compacting state appointed pursuant to Article VIII of this compact.

D. "Deployment" means: the period one month prior to the service members' departure from their home station on military orders through six months after return to their home station.

E. "Education(al) records" means: those official records, files, and data directly related to a student and maintained by the school or local education agency, including but not limited to records encompassing all the material kept in the student's cumulative folder, such as general identifying data, records of attendance and of academic work completed, records of achievement and results of evaluative tests, health data, disciplinary status, test protocols, and individualized education programs.

F. "Extracurricular activities" means: a voluntary activity sponsored by the school or local education agency or an organization sanctioned by the local education agency. Extracurricular activities include, but are not limited to, preparation for and involvement in public performances, contests, athletic competitions, demonstrations, displays, and club activities.

G. "Interstate Commission on Educational Opportunity for Military Children" means: the commission that is created under Article IX of this compact, which is generally referred to as Interstate Commission.

H. "Local education agency" means: a public authority legally constituted by the state as an administrative agency to provide control of and direction for kindergarten through grade 12 public educational institutions.

I. "Member state" means: a state that has enacted this compact.

J. "Military installation" means: a base, camp, post, station, yard, center, homeport facility for any ship, or other activity under the jurisdiction of the Department of Defense, including any leased facility, which is located within any of the several states, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, and any other United States territory. Such term does not include any facility used primarily for civil works, rivers and harbors projects, or flood control projects.

K. "Nonmember state" means: a state that has not enacted this compact.

L. "Receiving state" means: the state to which a child of a military family is sent, brought, or caused to be sent or brought.

M. "Rule" means: a written statement by the Interstate Commission promulgated pursuant to Article XII of this compact that is of general applicability, implements, interprets, or prescribes a policy or provision of the Compact, or an organizational, procedural, or practice requirement of the Interstate Commission, and has the force and effect of statutory law in a member state, and includes the amendment, repeal, or suspension of an existing rule.

N. "Sending state" means: the state from which a child of a military family is sent, brought, or caused to be sent or brought.

O. "State" means: a state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, and any other United States territory.

P. "Student" means: the child of a military family for whom the local education agency receives public funding and who is formally enrolled in kindergarten through grade 12.

Q. "Transition" means: (1) the formal and physical process of transferring from school to school or (2) the period of time in which a student moves from one school in the sending state to another school in the receiving state.

R. "Uniformed service(s)" means: the Army, Navy, Air Force, Marine Corps, Coast Guard as well as the commissioned Corps of the National Oceanic and Atmospheric Administration, and Public Health Services.

S. "Veteran" means: a person who served in the uniformed services and who was discharged or released there from under conditions other than dishonorable.

ARTICLE III **APPLICABILITY**

A. Except as otherwise provided in Section B, this compact shall apply to the children of:

1. active duty members of the uniformed services as defined in this compact, including members of the National Guard and Reserve on active duty orders pursuant to United States Code, title 10, sections 1209 and 1211;

2. members or veterans of the uniformed services who are severely injured and medically discharged or retired for a period of one year after medical discharge or retirement; and

3. members of the uniformed services who die on active duty or as a result of injuries sustained on active duty for a period of one year after death.

B. The provisions of this interstate compact shall only apply to local education agencies as defined in this compact.

C. The provisions of this compact shall not apply to the children of:

1. inactive members of the national guard and military reserves;

2. members of the uniformed services now retired, except as provided in Section A;

3. veterans of the uniformed services, except as provided in Section A; and

4. other United States Department of Defense personnel and other federal agency civilian and contract employees not defined as active duty members of the uniformed services.

ARTICLE IV **EDUCATIONAL RECORDS AND ENROLLMENT**

A. Unofficial or "hand-carried" education records - In the event that official education records cannot be released to the parents for the purpose of transfer, the custodian of the records in the sending state shall prepare and furnish to the parent a complete set of unofficial educational records containing uniform information as determined by the Interstate Commission. Upon receipt of the unofficial education records by a school in the receiving state, the school shall enroll and appropriately place the student based on the information provided in the unofficial records pending validation by the official records, as quickly as possible.

B. Official education records/transcripts - Simultaneous with the enrollment and conditional placement of the student, the school in the receiving state shall request the student's official education record from the school in the sending state. Upon receipt of this request, the school in the sending state will process and furnish the official education records to the school in the receiving state within ten days or within such time as reasonably determined under rules promulgated by the Interstate Commission.

C. Immunizations - Compacting states shall give 30 days from the date of enrollment or within such time as is reasonably determined under the rules promulgated by the Interstate Commission, for students to obtain any immunization(s) required by the receiving state. For a series of immunizations, initial vaccinations must be obtained within 30 days or within such time as is reasonably determined under the rules promulgated by the Interstate Commission.

D. Kindergarten and first grade entrance age - Students shall be allowed to continue their enrollment at grade level in the receiving state commensurate with their grade level (including kindergarten) from a local education agency in the sending state at the time of transition, regardless of age. A student that has satisfactorily completed the prerequisite grade level in the local education agency in the sending state shall be eligible for enrollment in the next highest grade level in the receiving state, regardless of age. A student transferring after the start of the school year in the receiving state shall enter the school in the receiving state on their validated level from an accredited school in the sending state.

ARTICLE V PLACEMENT AND ATTENDANCE

A. Course placement - When the student transfers before or during the school year, the receiving state school shall initially honor placement of the student in educational courses based on the student's enrollment in the sending state school and/or educational assessments conducted at the school in the sending state if the courses are offered. Course placement includes but is not limited to Honors, International Baccalaureate, Advanced Placement, vocational, technical, and career pathways courses. Continuing the student's academic program from the previous school and promoting placement in academically and career challenging courses should be paramount when considering placement. This does not preclude the school in the receiving state from performing subsequent evaluations to ensure appropriate placement and continued enrollment of the student in the course(s).

B. Educational program placement - The receiving state school shall initially honor placement of the student in educational programs based on the current educational assessments conducted at the school in the sending state or participation/placement in like programs in the sending state. Such programs include, but are not limited to: (1) gifted and talented programs; and (2) English as a second language (ESL). This does not preclude the school in the receiving state from performing subsequent evaluations to ensure appropriate placement of the student.

C. Special education services - (1) in compliance with the federal requirements of the Individuals with Disabilities Education Act (IDEA), United States Code Annotated, title 20, section 1400 et seq., the receiving state shall initially provide comparable services to a student with disabilities based on his/her current Individualized Education Program (IEP); and (2) in compliance with the requirements of Section 504 of the Rehabilitation Act, United States Code Annotated, title 29, section 794, and with Title II of the Americans with Disabilities Act, United States Code Annotated, title 42, sections 12131 to 12165, the receiving state shall make reasonable accommodations and modifications to address the needs of incoming students with disabilities, subject to an existing 504 or Title II Plan, to provide the student with equal access to education. This does not preclude the school in the receiving state from performing subsequent evaluations to ensure appropriate placement of the student.

D. Placement flexibility - Local education agency administrative officials shall have flexibility in waiving course/program prerequisites, or other preconditions for placement in courses/programs offered under the jurisdiction of the local education agency.

E. Absence as related to deployment activities - A student whose parent or legal guardian is an active duty member of the uniformed services, as defined by the compact, and has been called to duty for, is on leave from, or immediately returned from deployment to a combat zone or combat support posting, shall be granted additional excused absences at the discretion of the local education agency superintendent to visit with his or her parent or legal guardian relative to such leave or deployment of the parent or guardian.

ARTICLE VI
ELIGIBILITY

A. Eligibility for enrollment

1. Special power of attorney, relative to the guardianship of a child of a military family and executed under applicable law shall be sufficient for the purposes of enrollment and all other actions requiring parental participation and consent.

2. A local education agency shall be prohibited from charging local tuition to a transitioning military child placed in the care of a noncustodial parent or other person standing in loco parentis who lives in a jurisdiction other than that of the custodial parent.

3. A transitioning military child, placed in the care of a noncustodial parent or other person standing in loco parentis who lives in a jurisdiction other than that of the custodial parent, may continue to attend the school in which he/she was enrolled while residing with the custodial parent.

B. Eligibility for extracurricular participation - State and local education agencies shall facilitate the opportunity for transitioning military children's inclusion in extracurricular activities, regardless of application deadlines, to the extent they are otherwise qualified.

ARTICLE VII
GRADUATION

In order to facilitate the on-time graduation of children of military families, states and local education agencies shall incorporate the following procedures:

A. Waiver requirements - Local education agency administrative officials shall waive specific courses required for graduation if similar coursework has been satisfactorily completed in another local education agency or shall provide reasonable justification for denial. Should a waiver not be granted to a student who would qualify to graduate from the sending school, the local education agency shall provide an alternative means of acquiring required coursework so that graduation may occur on time.

B. Exit exams - States shall accept: (1) exit or end-of-course exams required for graduation from the sending state, (2) national norm-referenced achievement tests, or (3) alternative testing, in lieu of testing requirements for graduation in the receiving state. In the event the above alternatives cannot be accommodated by the receiving state for a student transferring in his or her senior year, then the provisions of Section C shall apply.

C. Transfers during senior year - Should a military student transferring at the beginning or during his or her senior year be ineligible to graduate from the receiving local education agency after all alternatives have been considered, the sending and receiving local education agencies shall ensure the receipt of a diploma from the sending local education agency, if the student meets the graduation requirements of the sending local education agency. In the event that one of the states in question is not a member of this compact, the member state shall use best efforts to facilitate the on-time graduation of the student in accordance with Sections A and B of this Article.

ARTICLE VIII
STATE COORDINATION

A. Each member state shall, through the creation of a State Council or use of an existing body or board, provide for the coordination among its agencies of government, local education agencies, and military installations concerning the state's participation in, and compliance with, this compact and Interstate Commission activities.

While each member state may determine the membership of its own State Council, its membership must include at least: the state superintendent of education, superintendent of a school district with a high concentration of military children, representative from a military installation, one representative each from the legislative and executive branches of government, and other offices and stakeholder groups the State Council deems appropriate. A member state that does not have a school district deemed to contain a high concentration of military children may appoint a superintendent from another school district to represent local education agencies on the State Council.

B. The State Council of each member state shall appoint or designate a military family education liaison to assist military families and the state in facilitating the implementation of this compact.

C. The compact commissioner responsible for the administration and management of the state's participation in the compact shall be appointed by the governor or as otherwise determined by each member state.

D. The compact commissioner and the military family education liaison designated herein shall be ex-officio members of the State Council, unless either is already a full voting member of the State Council.

ARTICLE IX
INTERSTATE COMMISSION ON EDUCATIONAL OPPORTUNITY
FOR MILITARY CHILDREN

The member states hereby create the "Interstate Commission on Educational Opportunity for Military Children." The activities of the Interstate Commission are the formation of public policy and are a discretionary state function. The Interstate Commission shall:

A. Be a body corporate and joint agency of the member states and shall have all the responsibilities, powers, and duties set forth herein, and such additional powers as may be conferred upon it by a subsequent concurrent action of the respective legislatures of the member states in accordance with the terms of this compact.

B. Consist of one Interstate Commission voting representative from each member state who shall be that state's compact commissioner.

1. Each member state represented at a meeting of the Interstate Commission is entitled to one vote.

2. A majority of the total member states shall constitute a quorum for the transaction of business, unless a larger quorum is required by the bylaws of the Interstate Commission.

3. A representative shall not delegate a vote to another member state. In the event the compact commissioner is unable to attend a meeting of the Interstate Commission, the Governor or State Council may delegate voting authority to another person from their state for a specified meeting.

4. The bylaws may provide for meetings of the Interstate Commission to be conducted by telecommunication or electronic communication.

C. Consist of ex-officio, nonvoting representatives who are members of interested organizations. Such ex-officio members, as defined in the bylaws, may include, but not be limited to, members of the representative organizations of military family advocates, local education agency officials, parent and teacher groups, the United States Department of Defense, the Education Commission of the States, the Interstate Agreement on the Qualification of Educational Personnel, and other interstate compacts affecting the education of children of military members.

D. Meet at least once each calendar year. The chairperson may call additional meetings and, upon the request of a simple majority of the member states, shall call additional meetings.

E. Establish an executive committee, whose members shall include the officers of the Interstate Commission and such other members of the Interstate Commission as determined by the bylaws. Members of the executive committee shall serve a one-year term. Members of the executive committee shall be entitled to one vote each. The executive committee shall have the power to act on behalf of the Interstate Commission, with the exception of rulemaking, during periods when the Interstate Commission is not in session. The executive committee shall oversee the day-to-day activities of the administration of the compact, including enforcement and compliance with the provisions of the compact, its bylaws and rules, and other such duties as deemed necessary. The United States Department of Defense shall serve as an ex-officio, nonvoting member of the executive committee.

F. Establish bylaws and rules that provide for conditions and procedures under which the Interstate Commission shall make its information and official records available to the public for inspection or copying. The Interstate Commission may exempt from disclosure information or official records to the extent they would adversely affect personal privacy rights or proprietary interests.

G. Public notice shall be given by the Interstate Commission of all meetings and all meetings shall be open to the public, except as set forth in the rules or as otherwise provided in the compact. The Interstate Commission and its committees may close a meeting, or portion thereof, where it determines by two-thirds vote that an open meeting would be likely to:

1. Relate solely to the Interstate Commission's internal personnel practices and procedures;
2. Disclose matters specifically exempted from disclosure by federal and state statute;
3. Disclose trade secrets or commercial or financial information which is privileged or confidential;
4. Involve accusing a person of a crime, or formally censuring a person;
5. Disclose information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy;
6. Disclose investigative records compiled for law enforcement purposes; or
7. Specifically relate to the Interstate Commission's participation in a civil action or other legal proceeding.

H. For a meeting, or a portion of a meeting, closed pursuant to this provision, the Interstate Commission's legal counsel or designee shall certify that the meeting may be closed and shall reference each relevant exemptible provision. The Interstate Commission shall keep minutes which shall fully and clearly describe all matters discussed in a meeting and shall provide a full and accurate summary of actions taken, and the reasons therefore, including a description of the views expressed and the record of a roll call vote. All documents considered in connection with an action shall be identified in such minutes. All minutes and documents of a closed meeting shall remain under seal, subject to release by a majority vote of the Interstate Commission.

I. The Interstate Commission shall collect standardized data concerning the educational transition of the children of military families under this compact as directed through its rules which shall specify the data to be collected, the means of collection, and data exchange and reporting requirements. Such methods of data collection, exchange, and reporting shall, insofar as is reasonably possible, conform to current technology and coordinate its information functions with the appropriate custodian of records as identified in the bylaws and rules.

J. The Interstate Commission shall create a process that permits military officials, education officials, and parents to inform the Interstate Commission if and when there are alleged violations of the compact or its rules or when issues subject to the jurisdiction of the compact or its rules are not addressed by the state or local education agency. This section shall not be construed to create a private right of action against the Interstate Commission or any member state.

ARTICLE X
POWERS AND DUTIES OF THE INTERSTATE COMMISSION

The Interstate Commission shall have the following powers:

- A. To provide for dispute resolution among member states.
- B. To promulgate rules and take all necessary actions to effect the goals, purposes, and obligations as enumerated in this compact. The rules shall have the force and effect of statutory law and shall be binding in the compact states to the extent and in the manner provided in this compact.
- C. To issue, upon request of a member state, advisory opinions concerning the meaning or interpretation of the interstate compact, its bylaws, rules, and actions.
- D. To enforce compliance with the compact provisions, the rules promulgated by the Interstate Commission, and the bylaws, using all necessary and proper means, including but not limited to the use of judicial process.
- E. To establish and maintain offices which shall be located within one or more of the member states.
- F. To purchase and maintain insurance and bonds.
- G. To borrow, accept, hire, or contract for services of personnel.
- H. To establish and appoint committees including, but not limited to, an executive committee as required by Article IX, Section E, which shall have the power to act on behalf of the Interstate Commission in carrying out its powers and duties hereunder.
- I. To elect or appoint such officers, attorneys, employees, agents, or consultants, and to fix their compensation, define their duties, and determine their qualifications; and to establish the Interstate Commission's personnel policies and programs relating to conflicts of interest, rates of compensation, and qualifications of personnel.
- J. To accept any and all donations and grants of money, equipment, supplies, materials, and services, and to receive, utilize, and dispose of it.
- K. To lease, purchase, accept contributions or donations of, or otherwise to own, hold, improve, or use any property, real, personal, or mixed.
- L. To sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of any property, real, personal, or mixed.
- M. To establish a budget and make expenditures.
- N. To adopt a seal and bylaws governing the management and operation of the Interstate Commission.
- O. To report annually to the legislatures, governors, judiciary, and State Councils of the member states concerning the activities of the Interstate Commission during the preceding year. Such reports shall also include any recommendations that may have been adopted by the Interstate Commission.
- P. To coordinate education, training, and public awareness regarding the compact, its implementation and operation for officials and parents involved in such activity.

Q. To establish uniform standards for the reporting, collecting, and exchanging of data.

R. To maintain corporate books and records in accordance with the bylaws.

S. To perform such functions as may be necessary or appropriate to achieve the purposes of this compact.

T. To provide for the uniform collection and sharing of information between and among member states, schools, and military families under this compact.

ARTICLE XI
ORGANIZATION AND OPERATION OF THE INTERSTATE COMMISSION

A. The Interstate Commission shall, by a majority of the members present and voting, within 12 months after the first Interstate Commission meeting, adopt bylaws to govern its conduct as may be necessary or appropriate to carry out the purposes of the compact, including, but not limited to:

1. Establishing the fiscal year of the Interstate Commission;

2. Establishing an executive committee, and such other committees as may be necessary;

3. Providing for the establishment of committees and for governing any general or specific delegation of authority or function of the Interstate Commission;

4. Providing reasonable procedures for calling and conducting meetings of the Interstate Commission, and ensuring reasonable notice of each such meeting;

5. Establishing the titles and responsibilities of the officers and staff of the Interstate Commission;

6. Providing a mechanism for concluding the operations of the Interstate Commission and the return of surplus funds that may exist upon the termination of the compact after the payment and reserving of all of its debts and obligations;

7. Providing "start up" rules for initial administration of the compact.

B. The Interstate Commission shall, by a majority of the members, elect annually from among its members a chairperson, a vice-chairperson, and a treasurer, each of whom shall have such authority and duties as may be specified in the bylaws. The chairperson or, in the chairperson's absence or disability, the vice-chairperson, shall preside at all meetings of the Interstate Commission. The officers so elected shall serve without compensation or remuneration from the Interstate Commission; provided that, subject to the availability of budgeted funds, the officers shall be reimbursed for ordinary and necessary costs and expenses incurred by them in the performance of their responsibilities as officers of the Interstate Commission.

C. Executive Committee, Officers, and Personnel

1. The executive committee shall have such authority and duties as may be set forth in the bylaws, including but not limited to:

a. Managing the affairs of the Interstate Commission in a manner consistent with the bylaws and purposes of the Interstate Commission;

b. Overseeing an organizational structure within, and appropriate procedures for, the Interstate Commission to provide for the creation of rules, operating procedures, and administrative and technical support functions; and

c. Planning, implementing, and coordinating communications and activities with other state, federal, and local government organizations in order to advance the goals of the Interstate Commission.

2. The executive committee may, subject to the approval of the Interstate Commission, appoint or retain an executive director for such period, upon such terms and conditions, and for compensation, as the Interstate Commission may deem appropriate. The executive director shall serve as secretary to the Interstate Commission, but shall not be a member of the Interstate Commission. The executive director shall hire and supervise such other persons as may be authorized by the Interstate Commission.

D. The Interstate Commission's executive director and its employees shall be immune from suit and liability, either personally or in their official capacity, for a claim for damage to or loss of property or personal injury or other civil liability caused or arising out of or relating to an actual or alleged act, error, or omission that occurred, or that such person had a reasonable basis for believing occurred, within the scope of Interstate Commission employment, duties, or responsibilities; provided that such person shall not be protected from suit or liability for damage, loss, injury, or liability caused by the intentional or willful and wanton misconduct of such person.

1. The liability of the Interstate Commission's executive director and employees or Interstate Commission representatives, acting within the scope of such person's employment or duties for acts, errors, or omissions occurring within such person's state may not exceed the limits of liability set forth under the Constitution and laws of that state for state officials, employees, and agents. The Interstate Commission is considered to be an instrumentality of the states for the purposes of any such action. Nothing in this subsection shall be construed to protect such person from suit or liability for damage, loss, injury, or liability caused by the intentional or willful and wanton misconduct of such person.

2. The Interstate Commission shall defend the executive director and its employees and, subject to the approval of the attorney general or other appropriate legal counsel of the member state represented by an Interstate Commission representative, shall defend such Interstate Commission representative in any civil action seeking to impose liability arising out of an actual or alleged act, error, or omission that occurred within the scope of Interstate Commission employment, duties, or responsibilities, or that the defendant had a reasonable basis for believing occurred within the scope of the Interstate Commission employment, duties, or responsibilities, provided that the actual or alleged act, error, or omission did not result from intentional or willful and wanton misconduct on the part of such person.

3. To the extent not covered by the state involved, member state, or the Interstate Commission, the representatives or employees of the Interstate Commission shall be held harmless in the amount of a settlement or judgment, including attorney fees and costs, obtained against such persons arising out of an actual or alleged act, error, or omission that occurred within the scope of the Interstate Commission employment, duties, or responsibilities, or that such persons had a reasonable basis for believing occurred within the scope of Interstate Commission employment, duties, or responsibilities, provided that the actual or alleged act, error, or omission did not result from intentional or willful and wanton misconduct on the part of such persons.

ARTICLE XII RULEMAKING FUNCTIONS OF THE INTERSTATE COMMISSION

A. Rulemaking Authority - The Interstate Commission shall promulgate reasonable rules in order to effectively and efficiently achieve the purposes of this Compact. Notwithstanding the foregoing, in the event the Interstate Commission exercises its rulemaking authority in a manner that is beyond the scope of the purposes of this Act, or the powers granted hereunder, then such an action by the Interstate Commission shall be invalid and have no force or effect.

B. Rulemaking Procedure - Rules shall be made pursuant to a rulemaking process that substantially conforms to the "Model State Administrative Procedure Act," of 1981 Act, Uniform Laws Annotated, Vol. 15, p.1 (2000) as amended, as may be appropriate to the operations of the Interstate Commission.

C. Not later than 30 days after a rule is promulgated, any person may file a petition for judicial review of the rule; provided that the filing of such a petition shall not stay or otherwise prevent the rule from becoming effective unless the court finds that the petitioner has a substantial likelihood of success. The court shall give deference to the actions of the Interstate Commission consistent with applicable law and shall not find the rule to be unlawful if the rule represents a reasonable exercise of the Interstate Commission's authority.

D. If a majority of the legislatures of the compacting states reject a rule by enactment of a statute or resolution in the same manner used to adopt the compact, then such rule shall have no further force and effect in any compacting state.

ARTICLE XIII OVERSIGHT, ENFORCEMENT, AND DISPUTE RESOLUTION

A. Oversight

1. The executive, legislative, and judicial branches of state government in each member state shall enforce this compact and shall take all actions necessary and appropriate to effectuate the compact's purposes and intent. The provisions of this compact and the rules promulgated hereunder shall have standing as statutory law.

2. All courts shall take judicial notice of the compact and the rules in any judicial or administrative proceeding in a member state pertaining to the subject matter of this compact which may affect the powers, responsibilities, or actions of the Interstate Commission.

3. The Interstate Commission shall be entitled to receive all service of process in any such proceeding, and shall have standing to intervene in the proceeding for all purposes. Failure to provide service of process to the Interstate Commission shall render a judgment or order void as to the Interstate Commission, this compact, or promulgated rules.

B. Default, Technical Assistance, Suspension, and Termination - If the Interstate Commission determines that a member state has defaulted in the performance of its obligations or responsibilities under this compact, or the bylaws or promulgated rules, the Interstate Commission shall:

1. Provide written notice to the defaulting state and other member states of the nature of the default, the means of curing the default, and any action taken by the Interstate Commission. The Interstate Commission shall specify the conditions by which the defaulting state must cure its default.

2. Provide remedial training and specific technical assistance regarding the default.

3. If the defaulting state fails to cure the default, the defaulting state shall be terminated from the compact upon an affirmative vote of a majority of the member states and all rights, privileges, and benefits conferred by this compact shall be terminated from the effective date of termination. A cure of the default does not relieve the offending state of obligations or liabilities incurred during the period of the default.

4. Suspension or termination of membership in the compact shall be imposed only after all other means of securing compliance have been exhausted. Notice of intent to suspend or terminate shall be given by the Interstate Commission to the governor, the majority and minority leaders of the defaulting state's legislature, and each of the member states.

5. The state which has been suspended or terminated is responsible for all assessments, obligations, and liabilities incurred through the effective date of suspension or termination, including obligations, the performance of which extends beyond the effective date of suspension or termination.

6. The Interstate Commission shall not bear any costs relating to any state that has been found to be in default or which has been suspended or terminated from the compact, unless otherwise mutually agreed upon in writing between the Interstate Commission and the defaulting state.

7. The defaulting state may appeal the action of the Interstate Commission by petitioning the United States District Court for the District of Columbia or the federal district where the Interstate Commission has its principal offices. The prevailing party shall be awarded all costs of such litigation including reasonable attorney fees.

C. Dispute Resolution

1. The Interstate Commission shall attempt, upon the request of a member state, to resolve disputes which are subject to the compact and which may arise among member states and between member and nonmember states.

2. The Interstate Commission shall promulgate a rule providing for both mediation and binding dispute resolution for disputes as appropriate.

D. Enforcement

1. The Interstate Commission, in the reasonable exercise of its discretion, shall enforce the provisions and rules of this compact.

2. The Interstate Commission may, by majority vote of the members, initiate legal action in the United States District Court for the District of Columbia or, at the discretion of the Interstate Commission, in the federal district where the Interstate Commission has its principal offices, to enforce compliance with the provisions of the compact, its promulgated rules and bylaws, against a member state in default. The relief sought may include both injunctive relief and damages. In the event judicial enforcement is necessary the prevailing party shall be awarded all costs of such litigation including reasonable attorney fees.

3. The remedies herein shall not be the exclusive remedies of the Interstate Commission. The Interstate Commission may avail itself of any other remedies available under state law or the regulation of a profession.

ARTICLE XIV **FINANCING OF THE INTERSTATE COMMISSION**

A. The Interstate Commission shall pay, or provide for the payment of the reasonable expenses of its establishment, organization, and ongoing activities.

B. The Interstate Commission may levy on and collect an annual assessment from each member state to cover the cost of the operations and activities of the Interstate Commission and its staff which must be in a total amount sufficient to cover the Interstate Commission's annual budget as approved each year. The aggregate annual assessment amount shall be allocated based upon a formula to be determined by the Interstate Commission, which shall promulgate a rule binding upon all member states.

C. The Interstate Commission shall not incur obligations of any kind prior to securing the funds adequate to meet the same; nor shall the Interstate Commission pledge the credit of any of the member states, except by and with the authority of the member state.

D. The Interstate Commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the Interstate Commission shall be subject to the audit and accounting procedures established under its bylaws. However, all receipts and disbursements of funds handled by the Interstate Commission shall be audited yearly by a certified or licensed public accountant and the report of the audit shall be included in and become part of the annual report of the Interstate Commission.

ARTICLE XV
MEMBER STATES, EFFECTIVE DATE, AND AMENDMENT

A. Any state is eligible to become a member state.

B. The compact shall become effective and binding upon legislative enactment of the compact into law by no less than ten of the states. The effective date shall be no earlier than December 1, 2007. Thereafter, it shall become effective and binding as to any other member state upon enactment of the compact into law by that state. The governors of nonmember states or their designees shall be invited to participate in the activities of the Interstate Commission on a nonvoting basis prior to the adoption of the compact by all states.

C. The Interstate Commission may propose amendments to the compact for enactment by the member states. No amendment shall become effective and binding upon the Interstate Commission and the member states unless and until it is enacted into law by unanimous consent of the member states.

ARTICLE XVI
WITHDRAWAL AND DISSOLUTION

A. Withdrawal

1. Once effective, the compact shall continue in force and remain binding upon each and every member state; provided that a member state may withdraw from the compact specifically repealing the statute, which enacted the compact into law.

2. Withdrawal from this compact shall be by the enactment of a statute repealing the same, but shall not take effect until one year after the effective date of such statute and until written notice of the withdrawal has been given by the withdrawing state to the governor of each other member jurisdiction.

3. The withdrawing state shall immediately notify the chairperson of the Interstate Commission in writing upon the introduction of legislation repealing this compact in the withdrawing state. The Interstate Commission shall notify the other member states of the withdrawing state's intent to withdraw within 60 days of its receipt thereof.

4. The withdrawing state is responsible for all assessments, obligations, and liabilities incurred through the effective date of withdrawal, including obligations, the performance of which extend beyond the effective date of withdrawal.

5. Reinstatement following withdrawal of a member state shall occur upon the withdrawing state reenacting the compact or upon such later date as determined by the Interstate Commission.

B. Dissolution of Compact

1. This compact shall dissolve effective upon the date of the withdrawal or default of the member state which reduces the membership in the compact to one member state.

2. Upon the dissolution of this compact, the compact becomes null and void and shall be of no further force or effect, and the business and affairs of the Interstate Commission shall be concluded and surplus funds shall be distributed in accordance with the bylaws.

ARTICLE XVII
SEVERABILITY AND CONSTRUCTION

A. The provisions of this compact shall be severable, and if any phrase, clause, sentence, or provision is deemed unenforceable, the remaining provisions of the compact shall be enforceable.

B. The provisions of this compact shall be liberally construed to effectuate its purposes.

C. Nothing in this compact shall be construed to prohibit the applicability of other interstate compacts to which the states are members.

ARTICLE XVIII
BINDING EFFECT OF COMPACT AND OTHER LAWS

A. Other Laws

1. Nothing herein prevents the enforcement of any other law of a member state that is not inconsistent with this compact.

2. All member states' laws conflicting with this compact are superseded to the extent of the conflict.

B. Binding Effect of the Compact

1. All lawful actions of the Interstate Commission, including all rules and bylaws promulgated by the Interstate Commission, are binding upon the member states.

2. All agreements between the Interstate Commission and the member states are binding in accordance with their terms.

3. In the event any provision of this compact exceeds the constitutional limits imposed on the legislature of any member state, such provision shall be ineffective to the extent of the conflict with the constitutional provision in question in that member state.

Sec. 2. **PREVAILING LAW; ACADEMIC CREDITS; HIGH SCHOOL DIPLOMAS.**

Notwithstanding article VII of the compact under Minnesota Statutes, section 127A.85, other compact provisions, or other law to the contrary, where Minnesota statute or rule governing the awarding of academic credits or a high school diploma or an equivalent degree or credential conflicts with this compact, Minnesota law supersedes the provisions of this compact to the extent of the conflict."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after "changes" insert ", and an interstate compact"

Correct the title numbers accordingly

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

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

H. F. No. 2402, A bill for an act relating to health; specifying the protocol for pharmacist administration of vaccines; amending Minnesota Statutes 2012, section 151.01, subdivision 27.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
CHILDREN AND FAMILY SERVICES

Section 1. Minnesota Statutes 2012, section 245A.02, subdivision 19, is amended to read:

Subd. 19. **Family day care and group family day care child age classifications.** (a) For the purposes of family day care and group family day care licensing under this chapter, the following terms have the meanings given them in this subdivision.

(b) "Newborn" means a child between birth and six weeks old.

(c) "Infant" means a child who is at least six weeks old but less than 12 months old.

(d) "Toddler" means a child who is at least 12 months old but less than 24 months old, except that for purposes of specialized infant and toddler family and group family day care, "toddler" means a child who is at least 12 months old but less than 30 months old.

(e) "Preschooler" means a child who is at least 24 months old up to ~~the school age of being eligible to enter kindergarten within the next four months.~~ the school age of being eligible to enter kindergarten.

(f) "School age" means a child who is at least ~~of sufficient age to have attended the first day of kindergarten, or is eligible to enter kindergarten within the next four months~~ five years of age, but is younger than 11 years of age.

Sec. 2. Minnesota Statutes 2012, section 260C.215, subdivision 4, is amended to read:

Subd. 4. **Duties of commissioner.** The commissioner of human services shall:

(1) provide practice guidance to responsible social services agencies and child-placing agencies that reflect federal and state laws and policy direction on placement of children;

(2) develop criteria for determining whether a prospective adoptive or foster family has the ability to understand and validate the child's cultural background;

(3) provide a standardized training curriculum for adoption and foster care workers and administrators who work with children. Training must address the following objectives:

(i) developing and maintaining sensitivity to all cultures;

(ii) assessing values and their cultural implications;

(iii) making individualized placement decisions that advance the best interests of a particular child under section 260C.212, subdivision 2; and

(iv) issues related to cross-cultural placement;

(4) provide a training curriculum for all prospective adoptive and foster families that prepares them to care for the needs of adoptive and foster children taking into consideration the needs of children outlined in section 260C.212, subdivision 2, paragraph (b);

(5) develop and provide to agencies a home study format to assess the capacities and needs of prospective adoptive and foster families. The format must address problem-solving skills; parenting skills; evaluate the degree to which the prospective family has the ability to understand and validate the child's cultural background, and other issues needed to provide sufficient information for agencies to make an individualized placement decision consistent with section 260C.212, subdivision 2. For a study of a prospective foster parent, the format must also address the capacity of the prospective foster parent to provide a safe, healthy, smoke-free home environment. If a prospective adoptive parent has also been a foster parent, any update necessary to a home study for the purpose of adoption may be completed by the licensing authority responsible for the foster parent's license. If a prospective adoptive parent with an approved adoptive home study also applies for a foster care license, the license application may be made with the same agency which provided the adoptive home study; and

(6) consult with representatives reflecting diverse populations from the councils established under sections 3.922, 3.9223, 3.9225, and 3.9226, and other state, local, and community organizations.

Sec. 3. Minnesota Statutes 2012, section 260C.215, subdivision 6, is amended to read:

Subd. 6. **Duties of child-placing agencies.** (a) Each authorized child-placing agency must:

(1) develop and follow procedures for implementing the requirements of section 260C.212, subdivision 2, and the Indian Child Welfare Act, United States Code, title 25, sections 1901 to 1923;

(2) have a written plan for recruiting adoptive and foster families that reflect the ethnic and racial diversity of children who are in need of foster and adoptive homes. The plan must include:

(i) strategies for using existing resources in diverse communities;

(ii) use of diverse outreach staff wherever possible;

(iii) use of diverse foster homes for placements after birth and before adoption; and

(iv) other techniques as appropriate;

(3) have a written plan for training adoptive and foster families;

(4) have a written plan for employing staff in adoption and foster care who have the capacity to assess the foster and adoptive parents' ability to understand and validate a child's cultural and meet the child's individual needs, and to advance the best interests of the child, as required in section 260C.212, subdivision 2. The plan must include staffing goals and objectives;

(5) ensure that adoption and foster care workers attend training offered or approved by the Department of Human Services regarding cultural diversity and the needs of special needs children; ~~and~~

(6) develop and implement procedures for implementing the requirements of the Indian Child Welfare Act and the Minnesota Indian Family Preservation Act; and

(7) ensure that children in foster care are protected from the effects of secondhand smoke and that licensed foster homes maintain a smoke-free environment in compliance with subdivision 9.

(b) In determining the suitability of a proposed placement of an Indian child, the standards to be applied must be the prevailing social and cultural standards of the Indian child's community, and the agency shall defer to tribal judgment as to suitability of a particular home when the tribe has intervened pursuant to the Indian Child Welfare Act.

Sec. 4. Minnesota Statutes 2012, section 260C.215, is amended by adding a subdivision to read:

Subd. 9. Preventing exposure to secondhand smoke for children in foster care. (a) A child in foster care shall not be exposed to any type of secondhand smoke in the following settings:

(1) a licensed foster home or any enclosed space connected to the home, including a garage, porch, deck, or similar space; or

(2) a motor vehicle while a foster child is transported.

(b) Smoking in outdoor areas on the premises of the home is permitted, except when a foster child is present and exposed to secondhand smoke.

(c) The home study required in subdivision 4, clause (5), must include a plan to maintain a smoke-free environment for foster children.

(d) If a foster parent fails to provide a smoke-free environment for a foster child, the child-placing agency must ask the foster parent to comply with a plan that includes training on the health risks of exposure to secondhand smoke. If the agency determines that the foster parent is unable to provide a smoke-free environment and that the home environment constitutes a health risk to a foster child, the agency must reassess whether the placement is based on the child's best interests consistent with section 260C.212, subdivision 2.

(e) Nothing in this subdivision shall delay the placement of a child with a relative, consistent with section 245A.035, unless the relative is unable to provide for the immediate health needs of the individual child.

(f) If a child's best interests would most effectively be served by placement in a home which will not meet the requirements of paragraph (a), the failure to meet the requirements of paragraph (a) shall not be a cause to deny placement in that home.

(g) Nothing in this subdivision shall be interpreted to interfere, conflict with, or be a basis for denying placement pursuant to the provisions of the federal Indian Child Welfare Act or Minnesota Indian Family Preservation Act.

(h) Nothing in this subdivision shall be interpreted to interfere with traditional or spiritual Native American or religious ceremonies involving the use of tobacco.

Sec. 5. Minnesota Statutes 2012, section 626.556, subdivision 11c, is amended to read:

Subd. 11c. **Welfare, court services agency, and school records maintained.** Notwithstanding sections 138.163 and 138.17, records maintained or records derived from reports of abuse by local welfare agencies, agencies responsible for assessing or investigating the report, court services agencies, or schools under this section shall be destroyed as provided in paragraphs (a) to (d) by the responsible authority.

(a) For family assessment cases and cases where an investigation results in no determination of maltreatment or the need for child protective services, the assessment or investigation records must be maintained for a period of four years. Records under this paragraph may not be used for employment, background checks, or purposes other than to assist in future risk and safety assessments.

(b) All records relating to reports which, upon investigation, indicate either maltreatment or a need for child protective services shall be maintained for at least ten years after the date of the final entry in the case record.

(c) All records regarding a report of maltreatment, including any notification of intent to interview which was received by a school under subdivision 10, paragraph (d), shall be destroyed by the school when ordered to do so by the agency conducting the assessment or investigation. The agency shall order the destruction of the notification when other records relating to the report under investigation or assessment are destroyed under this subdivision.

(d) Private or confidential data released to a court services agency under subdivision 10h must be destroyed by the court services agency when ordered to do so by the local welfare agency that released the data. The local welfare agency or agency responsible for assessing or investigating the report shall order destruction of the data when other records relating to the assessment or investigation are destroyed under this subdivision.

(e) For reports alleging child maltreatment that were not accepted for assessment or investigation, counties shall maintain sufficient information to identify repeat reports alleging maltreatment of the same child or children for 365 days from the date the report was screened out. The Department of Human Services shall specify to the counties the minimum information needed to accomplish this purpose. Counties shall enter this data into the state social services information system.

Sec. 6. **MINNESOTA TANF EXPENDITURES TASK FORCE.**

Subdivision 1. **Establishment.** The Minnesota TANF Expenditures Task Force is established to analyze past temporary assistance for needy families (TANF) expenditures and make recommendations as to which, if any, programs currently receiving TANF funding should be funded by the general fund so that a greater portion of TANF funds can go directly to Minnesota families receiving assistance through the Minnesota family investment program under Minnesota Statutes, chapter 256J.

Subd. 2. **Membership; meetings; staff.** (a) The task force shall be composed of the following members who serve at the pleasure of their appointing authority:

(1) one representative of the Department of Human Services appointed by the commissioner of human services;

(2) one representative of the Department of Management and Budget appointed by the commissioner of management and budget;

(3) one representative of the Department of Health appointed by the commissioner of health;

(4) one representative of the Local Public Health Association of Minnesota;

(5) two representatives of county government appointed by the Association of Minnesota Counties, one representing counties in the seven-county metropolitan area and one representing all other counties;

(6) one representative of the Minnesota Legal Services Coalition;

(7) one representative of the Children's Defense Fund of Minnesota;

(8) one representative of the Minnesota Coalition for the Homeless;

(9) one representative of the Welfare Rights Coalition;

(10) two members of the house of representatives, one appointed by the speaker of the house and one appointed by the minority leader; and

(11) two members of the senate, including one member of the minority party, appointed according to the rules of the senate.

(b) Notwithstanding Minnesota Statutes, section 15.059, members of the task force shall serve without compensation or reimbursement of expenses.

(c) The commissioner of human services must convene the first meeting of the Minnesota TANF Expenditures Task Force by July 31, 2014. The task force must meet at least quarterly.

(d) Staffing and technical assistance shall be provided within available resources by the Department of Human Services, children and family services division.

Subd. 3. **Duties.** (a) The task force must report on past expenditures of the TANF block grant, including a determination of whether or not programs for which TANF funds have been appropriated meet the purposes of the TANF program as defined under Code of Federal Regulations, title 45, section 260.20, and make recommendations as to which, if any, programs currently receiving TANF funds should be funded by the general fund. In making recommendations on program funding sources, the task force shall consider the following:

(1) the original purpose of the TANF block grant under Code of Federal Regulations, title 45, section 260.20;

(2) potential overlap of the population eligible for the Minnesota family investment program cash grant and the other programs currently receiving TANF funds;

(3) the ability for TANF funds, as appropriated under current law, to effectively help the lowest-income Minnesotans out of poverty;

(4) the impact of past expenditures on families who may be eligible for assistance through TANF;

(5) the ability of TANF funds to support effective parenting and optimal brain development in children under five years old; and

(6) the role of noncash assistance expenditures in maintaining compliance with federal law.

(b) In preparing the recommendations under paragraph (a), the task force shall consult with appropriate Department of Human Services information technology staff regarding implementation of the recommendations.

Subd. 4. **Report.** (a) The task force must submit an initial report by November 30, 2014, on past expenditures of the TANF block grant in Minnesota to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance.

(b) The task force must submit a final report by February 1, 2015, analyzing past TANF expenditures and making recommendations as to which programs, if any, currently receiving TANF funding should be funded by the general fund, including any phase-in period and draft legislation necessary for implementation, to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance.

Subd. 5. **Expiration.** This section expires March 1, 2015, or upon submission of the final report required under subdivision 4, whichever is earlier.

Sec. 7. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall change the term "guardianship assistance" to "Northstar kinship assistance" wherever it appears in Minnesota Statutes and Minnesota Rules to refer to the program components related to Northstar Care for Children under Minnesota Statutes, chapter 256N.

ARTICLE 2
PROVISION OF HEALTH SERVICES

Section 1. Minnesota Statutes 2012, section 144E.101, subdivision 6, is amended to read:

Subd. 6. **Basic life support.** (a) Except as provided in paragraphs (e) and (f), a basic life-support ambulance shall be staffed by at least two EMTs, one of whom must accompany the patient and provide a level of care so as to ensure that:

- (1) life-threatening situations and potentially serious injuries are recognized;
 - (2) patients are protected from additional hazards;
 - (3) basic treatment to reduce the seriousness of emergency situations is administered; and
 - (4) patients are transported to an appropriate medical facility for treatment.
- (b) A basic life-support service shall provide basic airway management.
- (c) A basic life-support service shall provide automatic defibrillation.

(d) A basic life-support service licensee's medical director may authorize ambulance service personnel to perform intravenous infusion and use equipment that is within the licensure level of the ambulance service, including administration of an opiate antagonist. Ambulance service personnel must be properly trained. Documentation of authorization for use, guidelines for use, continuing education, and skill verification must be maintained in the licensee's files.

(e) Upon application from an ambulance service that includes evidence demonstrating hardship, the board may grant a variance from the staff requirements in paragraph (a) and may authorize a basic life-support ambulance to be staffed by one EMT and one registered emergency medical responder driver for all emergency ambulance calls and interfacility transfers. The variance shall apply to basic life-support ambulances operated by the ambulance service until the ambulance service renews its license. When a variance expires, an ambulance service may apply for a new variance under this paragraph. For purposes of this paragraph, "ambulance service" means either an ambulance service whose primary service area is mainly located outside the metropolitan counties listed in section 473.121, subdivision 4, and outside the cities of Duluth, Mankato, Moorhead, Rochester, and St. Cloud; or an ambulance service based in a community with a population of less than 1,000.

(f) After an initial emergency ambulance call, each subsequent emergency ambulance response, until the initial ambulance is again available, and interfacility transfers, may be staffed by one registered emergency medical responder driver and an EMT. The EMT must accompany the patient and provide the level of care required in paragraph (a). This paragraph applies only to an ambulance service whose primary service area is mainly located outside the metropolitan counties listed in section 473.121, subdivision 4, and outside the cities of Duluth, Mankato, Moorhead, Rochester, and St. Cloud, or an ambulance based in a community with a population of less than 1,000 persons.

Sec. 2. **[150A.055] ADMINISTRATION OF INFLUENZA IMMUNIZATIONS.**

Subdivision 1. Practice of dentistry. A person licensed to practice dentistry under sections 150A.01 to 150A.14 shall be deemed to be practicing dentistry while participating in the administration of an influenza vaccination.

Subd. 2. Qualified dentists. (a) The influenza immunization shall be administered only to patients 19 years of age and older and only by licensed dentists who:

(1) have immediate access to emergency response equipment, including but not limited to oxygen administration equipment, epinephrine, and other allergic reaction response equipment; and

(2) are trained in or have successfully completed a program approved by the Minnesota Board of Dentistry, specifically for the administration of immunizations. The training or program must include:

(i) educational material on the disease of influenza and vaccination as prevention of the disease;

(ii) contraindications and precautions;

(iii) intramuscular administration;

(iv) communication of risk and benefits of influenza vaccination and legal requirements involved;

(v) reporting of adverse events;

(vi) documentation required by federal law; and

(vii) storage and handling of vaccines.

(b) Any dentist giving influenza vaccinations under this section shall comply with guidelines established by the federal Advisory Committee on Immunization Practices relating to vaccines and immunizations, which includes, but is not limited to, vaccine storage and handling, vaccine administration and documentation, and vaccine contraindications and precautions.

Subd. 3. Coordination of care. After a dentist qualified under subdivision 2 has administered an influenza vaccine to a patient, the dentist shall report the administration of the immunization to the Minnesota Immunization Information Connection or otherwise notify the patient's primary physician or clinic of the administration of the immunization.

EFFECTIVE DATE. This section is effective January 1, 2015, and applies to influenza immunizations performed on or after that date.

Sec. 3. Minnesota Statutes 2012, section 151.37, is amended by adding a subdivision to read:

Subd. 12. Administration of opiate antagonists for drug overdose. (a) A licensed physician, a licensed advanced practice registered nurse authorized to prescribe drugs pursuant to section 148.235, or a licensed physician assistant authorized to prescribe drugs pursuant to section 147A.18, may authorize the following individuals to administer opiate antagonists, as defined in section 604A.04, subdivision 1:

(1) an emergency medical responder registered pursuant to section 144E.27;

(2) a peace officer as defined in section 626.84, subdivision 1, paragraphs (c) and (d); and

(3) staff of community-based health disease prevention or social service programs.

(b) For the purposes of this subdivision, opiate antagonists may be administered by one of these individuals only if:

(1) the licensed physician, licensed physician assistant, or licensed advanced practice registered nurse has issued a standing order to, or entered into a protocol with, the individual; and

(2) the individual has training in the recognition of signs of opiate overdose and the use of opiate antagonists as part of the emergency response to opiate overdose.

(c) Nothing in this section prohibits the possession and administration of naloxone pursuant to section 604A.04.

Sec. 4. **[151.71] MAXIMUM ALLOWABLE COST PRICING.**

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

(b) "Health plan company" has the meaning provided in section 62Q.01, subdivision 4.

(c) "Pharmacy benefit manager" means an entity doing business in this state that contracts to administer or manage prescription drug benefits on behalf of any health plan company that provides prescription drug benefits to residents of this state.

Subd. 2. **Pharmacy benefit manager contracts with pharmacies; maximum allowable cost pricing.** (a) In each contract between a pharmacy benefit manager and a pharmacy, the pharmacy shall be given the right to obtain from the pharmacy benefit manager a current list of the sources used to determine maximum allowable cost pricing. The pharmacy benefit manager shall update the pricing information at least every seven business days and provide a means by which contracted pharmacies may promptly review current prices in an electronic, print, or telephonic format within one business day at no cost to the pharmacy. A pharmacy benefit manager shall maintain a procedure to eliminate products from the list of drugs subject to maximum allowable cost pricing in a timely manner in order to remain consistent with changes in the marketplace.

(b) In order to place a prescription drug on a maximum allowable cost list, a pharmacy benefit manager shall ensure that the drug is generally available for purchase by pharmacies in this state from a national or regional wholesaler and is not obsolete.

(c) Each contract between a pharmacy benefit manager and a pharmacy must include a process to appeal, investigate, and resolve disputes regarding maximum allowable cost pricing that includes:

(1) a 15 business day limit on the right to appeal following the initial claim;

(2) a requirement that the appeal be investigated and resolved within seven business days after the appeal; and

(3) a requirement that a pharmacy benefit manager provide a reason for any appeal denial and identify the national drug code of a drug that may be purchased by the pharmacy at a price at or below the maximum allowable cost price as determined by the pharmacy benefit manager.

(d) If the appeal is upheld, the pharmacy benefit manager shall make an adjustment to the maximum allowable cost price no later than one business day after the date of determination. The pharmacy benefit manager shall make the price adjustment applicable to all similarly situated network pharmacy providers as defined by the plan sponsor.

EFFECTIVE DATE. This section is effective January 1, 2015.

Sec. 5. Minnesota Statutes 2012, section 152.126, as amended by Laws 2013, chapter 113, article 3, section 3, is amended to read:

152.126 CONTROLLED SUBSTANCES PRESCRIPTION ELECTRONIC REPORTING SYSTEM PRESCRIPTION MONITORING PROGRAM.

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

(a) (b) "Board" means the Minnesota State Board of Pharmacy established under chapter 151.

(b) (c) "Controlled substances" means those substances listed in section 152.02, subdivisions 3 to 5 6, and those substances defined by the board pursuant to section 152.02, subdivisions 7, 8, and 12. For the purposes of this section, controlled substances includes tramadol and butalbital.

(c) (d) "Dispense" or "dispensing" has the meaning given in section 151.01, subdivision 30. Dispensing does not include the direct administering of a controlled substance to a patient by a licensed health care professional.

(d) (e) "Dispenser" means a person authorized by law to dispense a controlled substance, pursuant to a valid prescription. For the purposes of this section, a dispenser does not include a licensed hospital pharmacy that distributes controlled substances for inpatient hospital care or a veterinarian who is dispensing prescriptions under section 156.18.

(e) (f) "Prescriber" means a licensed health care professional who is authorized to prescribe a controlled substance under section 152.12, subdivision 1 or 2.

(f) (g) "Prescription" has the meaning given in section 151.01, subdivision 16.

Subd. 1a. **Treatment of intractable pain.** This section is not intended to limit or interfere with the legitimate prescribing of controlled substances for pain. No prescriber shall be subject to disciplinary action by a health-related licensing board for prescribing a controlled substance according to the provisions of section 152.125.

Subd. 2. **Prescription electronic reporting system.** (a) The board shall establish by January 1, 2010, an electronic system for reporting the information required under subdivision 4 for all controlled substances dispensed within the state.

(b) The board may contract with a vendor for the purpose of obtaining technical assistance in the design, implementation, operation, and maintenance of the electronic reporting system.

Subd. 3. **Prescription Electronic Reporting Monitoring Program Advisory Committee Task Force.** (a) The board ~~shall convene~~ shall appoint an advisory committee. ~~The committee must include~~ task force consisting of at least one representative of:

(1) the Department of Health;

- (2) the Department of Human Services;
- (3) each health-related licensing board that licenses prescribers;
- (4) a professional medical association, which may include an association of pain management and chemical dependency specialists;
- (5) a professional pharmacy association;
- (6) a professional nursing association;
- (7) a professional dental association;
- (8) a consumer privacy or security advocate; and
- (9) a consumer or patient rights organization.

(b) The advisory ~~committee~~ task force shall advise the board on the development and operation of the ~~electronic reporting system~~ prescription monitoring program, including, but not limited to:

- (1) technical standards for electronic prescription drug reporting;
- (2) proper analysis and interpretation of prescription monitoring data; and
- (3) an evaluation process for the program.

(c) The task force is governed by section 15.059. Notwithstanding section 15.059, subdivision 5, the task force shall not expire.

Subd. 4. **Reporting requirements; notice.** (a) Each dispenser must submit the following data to the board or its designated vendor, ~~subject to the notice required under paragraph (d):~~

- (1) name of the prescriber;
- (2) national provider identifier of the prescriber;
- (3) name of the dispenser;
- (4) national provider identifier of the dispenser;
- (5) prescription number;
- (6) name of the patient for whom the prescription was written;
- (7) address of the patient for whom the prescription was written;
- (8) date of birth of the patient for whom the prescription was written;
- (9) date the prescription was written;
- (10) date the prescription was filled;

- (11) name and strength of the controlled substance;
- (12) quantity of controlled substance prescribed;
- (13) quantity of controlled substance dispensed; and
- (14) number of days supply.

(b) The dispenser must submit the required information by a procedure and in a format established by the board. The board may allow dispensers to omit data listed in this subdivision or may require the submission of data not listed in this subdivision provided the omission or submission is necessary for the purpose of complying with the electronic reporting or data transmission standards of the American Society for Automation in Pharmacy, the National Council on Prescription Drug Programs, or other relevant national standard-setting body.

(c) A dispenser is not required to submit this data for those controlled substance prescriptions dispensed for:

- ~~(1) individuals residing in licensed skilled nursing or intermediate care facilities;~~
- ~~(2) individuals receiving assisted living services under chapter 144G or through a medical assistance home and community-based waiver;~~
- ~~(3) individuals receiving medication intravenously;~~
- ~~(4) individuals receiving hospice and other palliative or end-of-life care; and~~
- ~~(5) individuals receiving services from a home care provider regulated under chapter 144A.~~

(1) individuals residing in a health care facility as defined in section 151.58, subdivision 2, paragraph (b), when a drug is distributed through the use of an automated drug distribution system according to section 151.58; and

(2) individuals receiving a drug sample that was packaged by a manufacturer and provided to the dispenser for dispensing as a professional sample pursuant to Code of Federal Regulations, title 21, section 203, subpart D.

(d) A dispenser must ~~not submit data under this subdivision unless~~ provide to the patient for whom the prescription was written a conspicuous notice of the reporting requirements of this section is given to the patient for whom the prescription was written and notice that the information may be used for program administration purposes.

Subd. 5. Use of data by board. (a) The board shall develop and maintain a database of the data reported under subdivision 4. The board shall maintain data that could identify an individual prescriber or dispenser in encrypted form. Except as otherwise allowed under subdivision 6, the database may be used by permissible users identified under subdivision 6 for the identification of:

- (1) individuals receiving prescriptions for controlled substances from prescribers who subsequently obtain controlled substances from dispensers in quantities or with a frequency inconsistent with generally recognized standards of use for those controlled substances, including standards accepted by national and international pain management associations; and
- (2) individuals presenting forged or otherwise false or altered prescriptions for controlled substances to dispensers.

(b) No permissible user identified under subdivision 6 may access the database for the sole purpose of identifying prescribers of controlled substances for unusual or excessive prescribing patterns without a valid search warrant or court order.

(c) No personnel of a state or federal occupational licensing board or agency may access the database for the purpose of obtaining information to be used to initiate or substantiate a disciplinary action against a prescriber.

(d) Data reported under subdivision 4 shall be ~~retained by the board in the database for a 12-month period, and shall be removed from the database no later than 12 months from the last day of the month during which the data was received.~~ made available to permissible users for a 12-month period beginning the day the data was received and ending 12 months from the last day of the month in which the data was received, except that permissible users defined in subdivision 6, paragraph (b), clauses (5) and (6), may use all data collected under this section for the purposes of administering, operating, and maintaining the prescription monitoring program and conducting trend analyses and other studies necessary to evaluate the effectiveness of the program. Data retained beyond 12 months must be de-identified.

(e) The board may retain data reported under subdivision 4 for up to three years from the date the data was received. The board must destroy the data by the end of the three-year period.

Subd. 6. Access to reporting system data. (a) Except as indicated in this subdivision, the data submitted to the board under subdivision 4 is private data on individuals as defined in section 13.02, subdivision 12, and not subject to public disclosure.

(b) Except as specified in subdivision 5, the following persons shall be considered permissible users and may access the data submitted under subdivision 4 in the same or similar manner, and for the same or similar purposes, as those persons who are authorized to access similar private data on individuals under federal and state law:

(1) a prescriber or an agent or employee of the prescriber to whom the prescriber has delegated the task of accessing the data, to the extent the information relates specifically to a current patient, to whom the prescriber is;

(i) prescribing or considering prescribing any controlled substance;

(ii) providing emergency medical treatment for which access to the data may be necessary; or

(iii) providing other medical treatment for which access to the data may be necessary and the patient has consented to access to the submitted data, and with the provision that the prescriber remains responsible for the use or misuse of data accessed by a delegated agent or employee;

(2) a dispenser or an agent or employee of the dispenser to whom the dispenser has delegated the task of accessing the data, to the extent the information relates specifically to a current patient to whom that dispenser is dispensing or considering dispensing any controlled substance and with the provision that the dispenser remains responsible for the use or misuse of data accessed by a delegated agent or employee;

(3) an individual who is the recipient of a controlled substance prescription for which data was submitted under subdivision 4, or a guardian of the individual, parent or guardian of a minor, or health care agent of the individual acting under a health care directive under chapter 145C;

(4) personnel of the board specifically assigned to conduct a bona fide investigation of a specific licensee;

(5) personnel of the board engaged in the collection, review, and analysis of controlled substance prescription information as part of the assigned duties and responsibilities under this section;

(6) authorized personnel of a vendor under contract with the ~~board~~ state of Minnesota who are engaged in the design, implementation, operation, and maintenance of the ~~electronic reporting system~~ prescription monitoring program as part of the assigned duties and responsibilities of their employment, provided that access to data is limited to the minimum amount necessary to carry out such duties and responsibilities, and subject to the requirements related to the de-identification, retention, and destruction of data specified in subdivision 5, paragraphs (d) and (e);

(7) federal, state, and local law enforcement authorities acting pursuant to a valid search warrant;

(8) personnel of the ~~medical assistance program~~ Minnesota health care programs assigned to use the data collected under this section to identify recipients whose usage of controlled substances may warrant restriction to a single primary care ~~physician~~ provider, a single outpatient pharmacy, ~~or~~ and a single hospital; ~~and~~

(9) personnel of the Department of Human Services assigned to access the data pursuant to paragraph (h); and

(10) personnel of the health professionals services program established under section 214.31, to the extent that the information relates specifically to an individual who is currently enrolled in and being monitored by the program, and the individual consents to access to that information. The health professionals services program personnel shall not provide this data to a health-related licensing board or the Emergency Medical Services Regulatory Board, except as permitted under section 214.33, subdivision 3.

For purposes of clause ~~(3)~~ (4), access by an individual includes persons in the definition of an individual under section 13.02.

(c) ~~Any~~ A permissible user identified in paragraph (b), ~~who~~ clauses (1), (2), (5), (6), and (8) may directly ~~accesses~~ access the data electronically; If the data is directly accessed electronically, the permissible user shall implement and maintain a comprehensive information security program that contains administrative, technical, and physical safeguards that are appropriate to the user's size and complexity, and the sensitivity of the personal information obtained. The permissible user shall identify reasonably foreseeable internal and external risks to the security, confidentiality, and integrity of personal information that could result in the unauthorized disclosure, misuse, or other compromise of the information and assess the sufficiency of any safeguards in place to control the risks.

(d) The board shall not release data submitted under ~~this section~~ subdivision 4 unless it is provided with evidence, satisfactory to the board, that the person requesting the information is entitled to receive the data.

~~(e) The board shall not release the name of a prescriber without the written consent of the prescriber or a valid search warrant or court order. The board shall provide a mechanism for a prescriber to submit to the board a signed consent authorizing the release of the prescriber's name when data containing the prescriber's name is requested.~~

~~(f)~~ (e) The board shall maintain a log of all persons who access the data for a period of at least three years and shall ensure that any permissible user complies with paragraph (c) prior to attaining direct access to the data.

~~(g)~~ (f) Section 13.05, subdivision 6, shall apply to any contract the board enters into pursuant to subdivision 2. A vendor shall not use data collected under this section for any purpose not specified in this section.

~~(h)~~ (g) With available appropriations, the commissioner of human services shall establish and implement a system through which the Department of Human Services shall routinely access the data for the purpose of determining whether any client enrolled in an opioid treatment program licensed according to chapter 245A has been prescribed or dispensed a controlled substance in addition to that administered or dispensed by the opioid 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.

If determined necessary, the commissioner of human services 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.

Subd. 7. **Disciplinary action.** (a) A dispenser who knowingly fails to submit data to the board as required under this section is subject to disciplinary action by the appropriate health-related licensing board.

(b) A prescriber or dispenser authorized to access the data who knowingly discloses the data in violation of state or federal laws relating to the privacy of health care data shall be subject to disciplinary action by the appropriate health-related licensing board, and appropriate civil penalties.

~~Subd. 8. **Evaluation and reporting.** (a) The board shall evaluate the prescription electronic reporting system to determine if the system is negatively impacting appropriate prescribing practices of controlled substances. The board may contract with a vendor to design and conduct the evaluation.~~

~~(b) The board shall submit the evaluation of the system to the legislature by July 15, 2011.~~

Subd. 9. **Immunity from liability; no requirement to obtain information.** (a) A pharmacist, prescriber, or other dispenser making a report to the program in good faith under this section is immune from any civil, criminal, or administrative liability, which might otherwise be incurred or imposed as a result of the report, or on the basis that the pharmacist or prescriber did or did not seek or obtain or use information from the program.

(b) Nothing in this section shall require a pharmacist, prescriber, or other dispenser to obtain information about a patient from the program, and the pharmacist, prescriber, or other dispenser, if acting in good faith, is immune from any civil, criminal, or administrative liability that might otherwise be incurred or imposed for requesting, receiving, or using information from the program.

Subd. 10. **Funding.** (a) The board may seek grants and private funds from nonprofit charitable foundations, the federal government, and other sources to fund the enhancement and ongoing operations of the prescription ~~electronic reporting system~~ monitoring program established under this section. Any funds received shall be appropriated to the board for this purpose. The board may not expend funds to enhance the program in a way that conflicts with this section without seeking approval from the legislature.

(b) Notwithstanding any other section, the administrative services unit for the health-related licensing boards shall apportion between the Board of Medical Practice, the Board of Nursing, the Board of Dentistry, the Board of Podiatric Medicine, the Board of Optometry, the Board of Veterinary Medicine, and the Board of Pharmacy an amount to be paid through fees by each respective board. The amount apportioned to each board shall equal each board's share of the annual appropriation to the Board of Pharmacy from the state government special revenue fund for operating the prescription ~~electronic reporting system~~ monitoring program under this section. Each board's apportioned share shall be based on the number of prescribers or dispensers that each board identified in this paragraph licenses as a percentage of the total number of prescribers and dispensers licensed collectively by these boards. Each respective board may adjust the fees that the boards are required to collect to compensate for the amount apportioned to each board by the administrative services unit.

Sec. 6. **[604A.04] GOOD SAMARITAN OVERDOSE PREVENTION.**

Subdivision 1. **Definitions; opiate antagonist.** For purposes of this section, "opiate antagonist" means naloxone hydrochloride or any similarly acting drug approved by the federal Food and Drug Administration for the treatment of a drug overdose.

Subd. 2. **Authority to possess and administer opiate antagonists; release from liability.** (a) A person who is not a health care professional may possess or administer an opiate antagonist that is prescribed, dispensed, or distributed by a licensed health care professional pursuant to subdivision 3.

(b) A person who is not a health care professional who acts in good faith in administering an opiate antagonist to another person whom the person believes in good faith to be suffering a drug overdose is immune from criminal prosecution for the act and is not liable for any civil damages for acts or omissions resulting from the act.

Subd. 3. **Health care professionals; release from liability.** A licensed health care professional who is permitted by law to prescribe an opiate antagonist, if acting in good faith, may directly or by standing order prescribe, dispense, distribute, or administer an opiate antagonist to a person without being subject to civil liability or criminal prosecution for the act. This immunity applies even when the opiate antagonist is eventually administered in either or both of the following instances: (1) by someone other than the person to whom it is prescribed; or (2) to someone other than the person to whom it is prescribed. This subdivision does not apply if the licensed health care professional is acting during the course of regular employment and receiving compensation or expecting to receive compensation for those actions.

EFFECTIVE DATE. This section is effective August 1, 2014, and applies to actions arising from incidents occurring on or after that date.

Sec. 7. **[604A.05] GOOD SAMARITAN OVERDOSE MEDICAL ASSISTANCE.**

Subdivision 1. **Person seeking medical assistance; immunity from prosecution.** A person acting in good faith who seeks medical assistance for another person who is experiencing a drug overdose may not be arrested, charged, prosecuted, or penalized, or have that person's property subject to civil forfeiture for the possession, sharing, or use of a controlled substance or drug paraphernalia; or a violation of a condition of pretrial release, probation, furlough, supervised release, or parole. A person qualifies for the immunities provided in this subdivision only if: (1) the evidence for the arrest, charge, prosecution, seizure, or penalty was obtained as a result of the person's seeking medical assistance for another person; and (2) the person seeks medical assistance for another person who is in need of medical assistance for an immediate health or safety concern, provided that the person who seeks the medical assistance is the first person to seek the assistance, provides the person's name and contact information, remains on the scene until assistance arrives and is provided, and cooperates with the authorities.

Subd. 2. **Person experiencing an overdose; immunity from prosecution.** A person who experiences a drug overdose and is in need of medical assistance may not be arrested, charged, prosecuted, or penalized, or have that person's property subject to civil forfeiture for: (1) the possession of a controlled substance or drug paraphernalia; or (2) a violation of a condition of pretrial release, probation, furlough, supervised release, or parole. A person qualifies for the immunities provided in this subdivision only if the evidence for the arrest, charge, prosecution, seizure, or penalty was obtained as a result of the drug overdose and the need for medical assistance.

Subd. 3. **Effect on other criminal prosecutions.** (a) The immunity provisions of this section do not preclude prosecution of the person on the basis of evidence obtained from an independent source.

(b) The act of providing first aid or other medical assistance to someone who is experiencing a drug overdose may be used as a mitigating factor in a criminal prosecution for which immunity is not provided.

EFFECTIVE DATE. This section is effective August 1, 2014, and applies to actions arising from incidents occurring on or after that date.

Sec. 8. **CITATION.**

Sections 6 and 7 may be known and cited as "Steve's Law."

Sec. 9. **STUDY REQUIRED; PRESCRIPTION MONITORING PROGRAM DATABASE.**

The Board of Pharmacy, in collaboration with the Prescription Monitoring Program Advisory Task Force, shall report to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over health and human services policy and finance, by December 15, 2014, with:

(1) recommendations on whether or not to require the use of the prescription monitoring program database by prescribers when prescribing or considering prescribing, and pharmacists when dispensing or considering dispensing, a controlled substance as defined in Minnesota Statutes, section 152.126, subdivision 1, paragraph (c);

(2) an analysis of the impact of the prescription monitoring program on rates of chemical abuse and prescription drug abuse; and

(3) recommendations on approaches to encourage access to appropriate treatment for prescription drug abuse, through the prescription monitoring program.

ARTICLE 3
CHEMICAL AND MENTAL HEALTH SERVICES

Section 1. Minnesota Statutes 2012, section 245A.03, subdivision 6a, is amended to read:

Subd. 6a. **Adult foster care homes serving people with mental illness; certification.** (a) The commissioner of human services shall issue a mental health certification for adult foster care homes licensed under this chapter and Minnesota Rules, parts 9555.5105 to 9555.6265, that serve people with a primary diagnosis of mental illness where the home is not the primary residence of the license holder when a provider is determined to have met the requirements under paragraph (b). This certification is voluntary for license holders. The certification shall be printed on the license, and identified on the commissioner's public Web site.

(b) The requirements for certification are:

(1) all staff working in the adult foster care home have received at least seven hours of annual training under paragraph (c) covering all of the following topics:

(i) mental health diagnoses;

(ii) mental health crisis response and de-escalation techniques;

(iii) recovery from mental illness;

(iv) treatment options including evidence-based practices;

(v) medications and their side effects;

(vi) suicide intervention, identifying suicide warning signs, and appropriate responses;

(vii) co-occurring substance abuse and health conditions; and

~~(vii)~~ (viii) community resources;

(2) a mental health professional, as defined in section 245.462, subdivision 18, or a mental health practitioner as defined in section 245.462, subdivision 17, are available for consultation and assistance;

(3) there is a ~~plan and~~ protocol in place to address a mental health crisis; and

(4) ~~there is a crisis plan for each individual's Individual Placement Agreement~~ individual that identifies who is providing clinical services and their contact information, and includes an individual crisis prevention and management plan developed with the individual.

(c) The training curriculum must be approved by the commissioner of human services and must include a testing component after training is completed. Training must be provided by a mental health professional or a mental health practitioner. Training may also be provided by an individual living with a mental illness or a family member of such an individual, who is from a nonprofit organization with a history of providing educational classes on mental illnesses approved by the Department of Human Services to deliver mental health training. Staff must receive three hours of training in the areas specified in paragraph (b), clause (1), items (i) and (ii), prior to working alone with residents. The remaining hours of mandatory training, including a review of the information in paragraph (b), clause (1), item (ii), must be completed within six months of the hire date. For programs licensed under chapter 245D, training under this chapter may be incorporated into the 30 hours of staff orientation training required under section 245D.09, subdivision 4.

~~(d)~~ (d) License holders seeking certification under this subdivision must request this certification on forms provided by the commissioner and must submit the request to the county licensing agency in which the home is located. The county licensing agency must forward the request to the commissioner with a county recommendation regarding whether the commissioner should issue the certification.

~~(e)~~ (e) Ongoing compliance with the certification requirements under paragraph (b) shall be reviewed by the county licensing agency at each licensing review. When a county licensing agency determines that the requirements of paragraph (b) are not met, the county shall inform the commissioner, and the commissioner will remove the certification.

~~(f)~~ (f) A denial of the certification or the removal of the certification based on a determination that the requirements under paragraph (b) have not been met by the adult foster care license holder are not subject to appeal. A license holder that has been denied a certification or that has had a certification removed may again request certification when the license holder is in compliance with the requirements of paragraph (b).

Sec. 2. Minnesota Statutes 2013 Supplement, section 245D.33, is amended to read:

245D.33 ADULT MENTAL HEALTH CERTIFICATION STANDARDS.

(a) The commissioner of human services shall issue a mental health certification for services licensed under this chapter when a license holder is determined to have met the requirements under section 245A.03, subdivision 6a, paragraph (b). This certification is voluntary for license holders. The certification shall be printed on the license and identified on the commissioner's public Web site.

~~(b) The requirements for certification are:~~

~~(1) all staff have received at least seven hours of annual training covering all of the following topics:~~

~~(i) mental health diagnoses;~~

~~(ii) mental health crisis response and de-escalation techniques;~~

- ~~(iii) recovery from mental illness;~~
- ~~(iv) treatment options, including evidence-based practices;~~
- ~~(v) medications and their side effects;~~
- ~~(vi) co-occurring substance abuse and health conditions; and~~
- ~~(vii) community resources;~~

~~(2) a mental health professional, as defined in section 245.462, subdivision 18, or a mental health practitioner as defined in section 245.462, subdivision 17, is available for consultation and assistance;~~

~~(3) there is a plan and protocol in place to address a mental health crisis; and~~

~~(4) each person's individual service and support plan identifies who is providing clinical services and their contact information, and includes an individual crisis prevention and management plan developed with the person.~~

~~(e) License holders seeking certification under this section must request this certification on forms and in the manner prescribed by the commissioner.~~

~~(d) (c) If the commissioner finds that the license holder has failed to comply with the certification requirements under section 245A.03, subdivision 6a, paragraph (b), the commissioner may issue a correction order and an order of conditional license in accordance with section 245A.06 or may issue a sanction in accordance with section 245A.07, including and up to removal of the certification.~~

~~(e) (d) A denial of the certification or the removal of the certification based on a determination that the requirements under section 245A.03, subdivision 6a, paragraph (b) have not been met is not subject to appeal. A license holder that has been denied a certification or that has had a certification removed may again request certification when the license holder is in compliance with the requirements of section 245A.03, subdivision 6a, paragraph (b).~~

Sec. 3. Minnesota Statutes 2012, section 253B.092, subdivision 2, is amended to read:

Subd. 2. **Administration without judicial review.** Neuroleptic medications may be administered without judicial review in the following circumstances:

(1) the patient has the capacity to make an informed decision under subdivision 4;

(2) the patient does not have the present capacity to consent to the administration of neuroleptic medication, but prepared a health care directive under chapter 145C or a declaration under section 253B.03, subdivision 6d, requesting treatment or authorizing an agent or proxy to request treatment, and the agent or proxy has requested the treatment;

(3) the patient has been prescribed neuroleptic medication but lacks the capacity to consent to the administration of that neuroleptic medication upon admission to the treatment facility; continued administration of the medication is in the patient's best interest; and the patient does not refuse administration of the medication. In this situation, the previously prescribed neuroleptic medication may be continued for up to 14 days while the treating physician:

(i) is obtaining a substitute decision-maker appointed by the court under subdivision 6; or

(ii) is requesting an amendment to a current court order authorizing administration of neuroleptic medication;

(4) a substitute decision-maker appointed by the court consents to the administration of the neuroleptic medication and the patient does not refuse administration of the medication; or

(4) (5) the substitute decision-maker does not consent or the patient is refusing medication, and the patient is in an emergency situation.

Sec. 4. Minnesota Statutes 2013 Supplement, section 254A.035, subdivision 2, is amended to read:

Subd. 2. **Membership terms, compensation, removal and expiration.** The membership of this council shall be composed of 17 persons who are American Indians and who are appointed by the commissioner. The commissioner shall appoint one representative from each of the following groups: Red Lake Band of Chippewa Indians; Fond du Lac Band, Minnesota Chippewa Tribe; Grand Portage Band, Minnesota Chippewa Tribe; Leech Lake Band, Minnesota Chippewa Tribe; Mille Lacs Band, Minnesota Chippewa Tribe; Bois Forte Band, Minnesota Chippewa Tribe; White Earth Band, Minnesota Chippewa Tribe; Lower Sioux Indian Reservation; Prairie Island Sioux Indian Reservation; Shakopee Mdewakanton Sioux Indian Reservation; Upper Sioux Indian Reservation; International Falls Northern Range; Duluth Urban Indian Community; and two representatives from the Minneapolis Urban Indian Community and two from the St. Paul Urban Indian Community. The terms, compensation, and removal of American Indian Advisory Council members shall be as provided in section 15.059. The council expires June 30, ~~2014~~ 2018.

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

Sec. 5. Minnesota Statutes 2013 Supplement, section 254A.04, is amended to read:

254A.04 CITIZENS ADVISORY COUNCIL.

There is hereby created an Alcohol and Other Drug Abuse Advisory Council to advise the Department of Human Services concerning the problems of alcohol and other drug dependency and abuse, composed of ten members. Five members shall be individuals whose interests or training are in the field of alcohol dependency and abuse; and five members whose interests or training are in the field of dependency and abuse of drugs other than alcohol. The terms, compensation and removal of members shall be as provided in section 15.059. The council expires June 30, ~~2014~~ 2018. The commissioner of human services shall appoint members whose terms end in even-numbered years. The commissioner of health shall appoint members whose terms end in odd-numbered years.

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

Sec. 6. Minnesota Statutes 2012, section 254B.01, is amended by adding a subdivision to read:

Subd. 8. **Culturally specific program.** (a) "Culturally specific program" means a substance use disorder treatment service program that is recovery-focused and culturally specific when the program:

(1) improves service quality to and outcomes of a specific population by advancing health equity to help eliminate health disparities; and

(2) ensures effective, equitable, comprehensive, and respectful quality care services that are responsive to an individual within a specific population's values, beliefs and practices, health literacy, preferred language, and other communication needs.

(b) A tribally licensed substance use disorder program that is designated as serving a culturally specific population by the applicable tribal government is deemed to satisfy this subdivision.

Sec. 7. Minnesota Statutes 2012, section 254B.05, subdivision 5, is amended to read:

Subd. 5. **Rate requirements.** (a) The commissioner shall establish rates for chemical dependency services and service enhancements funded under this chapter.

(b) Eligible chemical dependency treatment services include:

(1) outpatient treatment services that are licensed according to Minnesota Rules, parts 9530.6405 to 9530.6480, or applicable tribal license;

(2) medication-assisted therapy services that are licensed according to Minnesota Rules, parts 9530.6405 to 9530.6480 and 9530.6500, or applicable tribal license;

(3) medication-assisted therapy plus enhanced treatment services that meet the requirements of clause (2) and provide nine hours of clinical services each week;

(4) high, medium, and low intensity residential treatment services that are licensed according to Minnesota Rules, parts 9530.6405 to 9530.6480 and 9530.6505, or applicable tribal license which provide, respectively, 30, 15, and five hours of clinical services each week;

(5) hospital-based treatment services that are licensed according to Minnesota Rules, parts 9530.6405 to 9530.6480, or applicable tribal license and licensed as a hospital under sections 144.50 to 144.56;

(6) adolescent treatment programs that are licensed as outpatient treatment programs according to Minnesota Rules, parts 9530.6405 to 9530.6485, or as residential treatment programs according to Minnesota Rules, chapter 2960, or applicable tribal license; and

(7) room and board facilities that meet the requirements of section 254B.05, subdivision 1a.

(c) The commissioner shall establish higher rates for programs that meet the requirements of paragraph (b) and the following additional requirements:

(1) programs that serve parents with their children if the program meets the additional licensing requirement in Minnesota Rules, part 9530.6490, and provides child care that meets the requirements of section 245A.03, subdivision 2, during hours of treatment activity;

(2) culturally specific programs serving special populations as defined in section 254B.01, subdivision 8, if the program meets the requirements in Minnesota Rules, part 9530.6605, subpart 13;

(3) programs that offer medical services delivered by appropriately credentialed health care staff in an amount equal to two hours per client per week; and

(4) programs that offer services to individuals with co-occurring mental health and chemical dependency problems if:

(i) the program meets the co-occurring requirements in Minnesota Rules, part 9530.6495;

(ii) 25 percent of the counseling staff are mental health professionals, as defined in section 245.462, subdivision 18, clauses (1) to (6), or are students or licensing candidates under the supervision of a licensed alcohol and drug counselor supervisor and licensed mental health professional, except that no more than 50 percent of the mental health staff may be students or licensing candidates;

(iii) clients scoring positive on a standardized mental health screen receive a mental health diagnostic assessment within ten days of admission;

(iv) the program has standards for multidisciplinary case review that include a monthly review for each client;

(v) family education is offered that addresses mental health and substance abuse disorders and the interaction between the two; and

(vi) co-occurring counseling staff will receive eight hours of co-occurring disorder training annually.

(d) Adolescent residential programs that meet the requirements of Minnesota Rules, parts 2960.0580 to 2960.0700, are exempt from the requirements in paragraph (c), clause (4), items (i) to (iv).

Sec. 8. Minnesota Statutes 2013 Supplement, section 260.835, subdivision 2, is amended to read:

Subd. 2. **Expiration.** Notwithstanding section 15.059, subdivision 5, the American Indian Child Welfare Advisory Council expires June 30, ~~2014~~ 2018.

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

Sec. 9. Minnesota Statutes 2012, section 260C.157, subdivision 3, is amended to read:

Subd. 3. **Juvenile treatment screening team.** (a) The responsible social services agency shall establish a juvenile treatment screening team to conduct screenings and prepare case plans under this chapter, chapter 260D, and section 245.487, subdivision 3. Screenings shall be conducted within 15 days of a request for a screening, unless the screening is for the purpose of placement in mental health residential treatment and the child is enrolled in a prepaid health program under section 256B.69 in which case the screening shall be conducted within ten working days of a request. The team, which may be the team constituted under section 245.4885 or 256B.092 or Minnesota Rules, parts 9530.6600 to 9530.6655, shall consist of social workers, juvenile justice professionals, persons with expertise in the treatment of juveniles who are emotionally disabled, chemically dependent, or have a developmental disability, and the child's parent, guardian, or permanent legal custodian under Minnesota Statutes 2010, section 260C.201, subdivision 11, or section 260C.515, subdivision 4. The team may be the same team as defined in section 260B.157, subdivision 3.

(b) The social services agency shall determine whether a child brought to its attention for the purposes described in this section is an Indian child, as defined in section 260C.007, subdivision 21, and shall determine the identity of the Indian child's tribe, as defined in section 260.755, subdivision 9. When a child to be evaluated is an Indian child, the team provided in paragraph (a) shall include a designated representative of the Indian child's tribe, unless the child's tribal authority declines to appoint a representative. The Indian child's tribe may delegate its authority to represent the child to any other federally recognized Indian tribe, as defined in section 260.755, subdivision 12.

(c) If the court, prior to, or as part of, a final disposition, proposes to place a child:

(1) for the primary purpose of treatment for an emotional disturbance, a developmental disability, or chemical dependency in a residential treatment facility out of state or in one which is within the state and licensed by the commissioner of human services under chapter 245A; or

(2) in any out-of-home setting potentially exceeding 30 days in duration, including a postdispositional placement in a facility licensed by the commissioner of corrections or human services, the court shall ascertain whether the child is an Indian child and shall notify the county welfare agency and, if the child is an Indian child, shall notify the Indian child's tribe. The county's juvenile treatment screening team must either: (i) screen and evaluate the child and file its recommendations with the court within 14 days of receipt of the notice; or (ii) elect not to screen a given case and notify the court of that decision within three working days.

(d) The child may not be placed for the primary purpose of treatment for an emotional disturbance, a developmental disability, or chemical dependency, in a residential treatment facility out of state nor in a residential treatment facility within the state that is licensed under chapter 245A, unless one of the following conditions applies:

(1) a treatment professional certifies that an emergency requires the placement of the child in a facility within the state;

(2) the screening team has evaluated the child and recommended that a residential placement is necessary to meet the child's treatment needs and the safety needs of the community, that it is a cost-effective means of meeting the treatment needs, and that it will be of therapeutic value to the child; or

(3) the court, having reviewed a screening team recommendation against placement, determines to the contrary that a residential placement is necessary. The court shall state the reasons for its determination in writing, on the record, and shall respond specifically to the findings and recommendation of the screening team in explaining why the recommendation was rejected. The attorney representing the child and the prosecuting attorney shall be afforded an opportunity to be heard on the matter.

(e) When the county's juvenile treatment screening team has elected to screen and evaluate a child determined to be an Indian child, the team shall provide notice to the tribe or tribes that accept jurisdiction for the Indian child or that recognize the child as a member of the tribe or as a person eligible for membership in the tribe, and permit the tribe's representative to participate in the screening team.

(f) When the Indian child's tribe or tribal health care services provider or Indian Health Services provider proposes to place a child for the primary purpose of treatment for an emotional disturbance, a developmental disability, or co-occurring emotional disturbance and chemical dependency, the Indian child's tribe or the tribe delegated by the child's tribe shall submit necessary documentation to the county juvenile treatment screening team, which must invite the Indian child's tribe to designate a representative to the screening team.

Sec. 10. PILOT PROGRAM; NOTICE AND INFORMATION TO COMMISSIONER OF HUMAN SERVICES REGARDING PATIENTS COMMITTED TO COMMISSIONER.

The commissioner of human services may create a pilot program that is designed to respond to issues that were raised in the February 2013 Office of the Legislative Auditor report on state-operated services. The pilot program may include no more than three counties to test the efficacy of providing notice and information to the commissioner prior to or when a petition is filed to commit a patient exclusively to the commissioner. The commissioner shall provide a status update to the chairs and ranking minority members of the legislative committees with jurisdiction over civil commitment and human services issues, no later than January 15, 2015.

ARTICLE 4
HEALTH-RELATED LICENSING BOARDS

Section 1. Minnesota Statutes 2012, section 148.01, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For the purposes of sections 148.01 to 148.10:

(1) "chiropractic" is defined as the science of adjusting any abnormal articulations of the human body, especially those of the spinal column, for the purpose of giving freedom of action to impinged nerves that may cause pain or deranged function; and means the health care discipline that recognizes the innate recuperative power of the body to heal itself without the use of drugs or surgery by identifying and caring for vertebral subluxations and other abnormal articulations by emphasizing the relationship between structure and function as coordinated by the nervous system and how that relationship affects the preservation and restoration of health;

(2) "chiropractic services" means the evaluation and facilitation of structural, biomechanical, and neurological function and integrity through the use of adjustment, manipulation, mobilization, or other procedures accomplished by manual or mechanical forces applied to bones or joints and their related soft tissues for correction of vertebral subluxation, other abnormal articulations, neurological disturbances, structural alterations, or biomechanical alterations, and includes, but is not limited to, manual therapy and mechanical therapy as defined in section 146.23;

(3) "abnormal articulation" means the condition of opposing bony joint surfaces and their related soft tissues that do not function normally, including subluxation, fixation, adhesion, degeneration, deformity, dislocation, or other pathology that results in pain or disturbances within the nervous system, results in postural alteration, inhibits motion, allows excessive motion, alters direction of motion, or results in loss of axial loading efficiency, or a combination of these;

(4) "diagnosis" means the physical, clinical, and laboratory examination of the patient, and the use of diagnostic services for diagnostic purposes within the scope of the practice of chiropractic described in sections 148.01 to 148.10;

(5) "diagnostic services" means clinical, physical, laboratory, and other diagnostic measures, including diagnostic imaging that may be necessary to determine the presence or absence of a condition, deficiency, deformity, abnormality, or disease as a basis for evaluation of a health concern, diagnosis, differential diagnosis, treatment, further examination, or referral;

(6) "therapeutic services" means rehabilitative therapy as defined in Minnesota Rules, part 2500.0100, subpart 11, and all of the therapeutic, rehabilitative, and preventive sciences and procedures for which the licensee was subject to examination under section 148.06. When provided, therapeutic services must be performed within a practice where the primary focus is the provision of chiropractic services, to prepare the patient for chiropractic services, or to complement the provision of chiropractic services. The administration of therapeutic services is the responsibility of the treating chiropractor and must be rendered under the direct supervision of qualified staff;

(7) "acupuncture" means a modality of treating abnormal physical conditions by stimulating various points of the body or interruption of the cutaneous integrity by needle insertion to secure a reflex relief of the symptoms by nerve stimulation as utilized as an adjunct to chiropractic adjustment. Acupuncture may not be used as an independent therapy or separately from chiropractic services. Acupuncture is permitted under section 148.01 only after registration with the board which requires completion of a board-approved course of study and successful completion of a board-approved national examination on acupuncture. Renewal of registration shall require completion of board-approved continuing education requirements in acupuncture. The restrictions of section 147B.02, subdivision 2, apply to individuals registered to perform acupuncture under this section; and

(8) "animal chiropractic diagnosis and treatment" means treatment that includes identifying and resolving vertebral subluxation complexes, spinal manipulation, and manipulation of the extremity articulations of nonhuman vertebrates. Animal chiropractic diagnosis and treatment does not include:

- (i) performing surgery;
- (ii) dispensing or administering of medications; or
- (iii) performing traditional veterinary care and diagnosis.

Sec. 2. Minnesota Statutes 2012, section 148.01, subdivision 2, is amended to read:

Subd. 2. **Exclusions.** The practice of chiropractic is not the practice of medicine, surgery, ~~or~~ osteopathy, or physical therapy.

Sec. 3. Minnesota Statutes 2012, section 148.01, is amended by adding a subdivision to read:

Subd. 4. **Practice of chiropractic.** An individual licensed to practice under section 148.06 is authorized to perform chiropractic services, acupuncture, therapeutic services, and to provide diagnosis and to render opinions pertaining to those services for the purpose of determining a course of action in the best interests of the patient, such as a treatment plan, appropriate referral, or both.

Sec. 4. Minnesota Statutes 2012, section 148.105, subdivision 1, is amended to read:

Subdivision 1. **Generally.** Any person who practices, or attempts to practice, chiropractic or who uses any of the terms or letters "Doctors of Chiropractic," "Chiropractor," "DC," or any other title or letters under any circumstances as to lead the public to believe that the person who so uses the terms is engaged in the practice of chiropractic, without having complied with the provisions of sections 148.01 to 148.104, is guilty of a gross misdemeanor; and, upon conviction, fined not less than \$1,000 nor more than \$10,000 or be imprisoned in the county jail for not less than 30 days nor more than six months or punished by both fine and imprisonment, in the discretion of the court. It is the duty of the county attorney of the county in which the person practices to prosecute. Nothing in sections 148.01 to 148.105 shall be considered as interfering with any person:

(1) licensed by a health-related licensing board, as defined in section 214.01, subdivision 2, including psychological practitioners with respect to the use of hypnosis;

(2) registered or licensed by the commissioner of health under section 214.13; or

(3) engaged in other methods of healing regulated by law in the state of Minnesota;

provided that the person confines activities within the scope of the license or other regulation and does not practice or attempt to practice chiropractic.

Sec. 5. Minnesota Statutes 2012, section 148.6402, subdivision 17, is amended to read:

Subd. 17. **Physical agent modalities.** "Physical agent modalities" mean modalities that use the properties of light, water, temperature, sound, or electricity to produce a response in soft tissue. ~~The physical agent modalities referred to in sections 148.6404 and 148.6440 are superficial physical agent modalities, electrical stimulation devices, and ultrasound.~~

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

Sec. 6. Minnesota Statutes 2012, section 148.6404, is amended to read:

148.6404 SCOPE OF PRACTICE.

The practice of occupational therapy by an occupational therapist or occupational therapy assistant includes, but is not limited to, intervention directed toward:

(1) assessment and evaluation, including the use of skilled observation or the administration and interpretation of standardized or nonstandardized tests and measurements, to identify areas for occupational therapy services;

(2) providing for the development of sensory integrative, neuromuscular, or motor components of performance;

(3) providing for the development of emotional, motivational, cognitive, or psychosocial components of performance;

- (4) developing daily living skills;
- (5) developing feeding and swallowing skills;
- (6) developing play skills and leisure capacities;
- (7) enhancing educational performance skills;
- (8) enhancing functional performance and work readiness through exercise, range of motion, and use of ergonomic principles;
- (9) designing, fabricating, or applying rehabilitative technology, such as selected orthotic and prosthetic devices, and providing training in the functional use of these devices;
- (10) designing, fabricating, or adapting assistive technology and providing training in the functional use of assistive devices;
- (11) adapting environments using assistive technology such as environmental controls, wheelchair modifications, and positioning;
- (12) employing physical agent modalities, in preparation for or as an adjunct to purposeful activity, within the same treatment session or to meet established functional occupational therapy goals, ~~consistent with the requirements of section 148.6440;~~ and
- (13) promoting health and wellness.

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

Sec. 7. Minnesota Statutes 2012, section 148.6430, is amended to read:

148.6430 DELEGATION OF DUTIES; ASSIGNMENT OF TASKS.

The occupational therapist is responsible for all duties delegated to the occupational therapy assistant or tasks assigned to direct service personnel. The occupational therapist may delegate to an occupational therapy assistant those portions of a client's evaluation, reevaluation, and treatment that, according to prevailing practice standards of the American Occupational Therapy Association, can be performed by an occupational therapy assistant. The occupational therapist may not delegate portions of an evaluation or reevaluation of a person whose condition is changing rapidly. ~~Delegation of duties related to use of physical agent modalities to occupational therapy assistants is governed by section 148.6440, subdivision 6.~~

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

Sec. 8. Minnesota Statutes 2012, section 148.6432, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** If the professional standards identified in section 148.6430 permit an occupational therapist to delegate an evaluation, reevaluation, or treatment procedure, the occupational therapist must provide supervision consistent with this section. ~~Supervision of occupational therapy assistants using physical agent modalities is governed by section 148.6440, subdivision 6.~~

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

Sec. 9. Minnesota Statutes 2012, section 148.7802, subdivision 3, is amended to read:

Subd. 3. **Approved education program.** "Approved education program" means a university, college, or other postsecondary education program of athletic training that, at the time the student completes the program, is approved or accredited by ~~the National Athletic Trainers Association Professional Education Committee, the National Athletic Trainers Association Board of Certification, or the Joint Review Committee on Educational Programs in Athletic Training in collaboration with the American Academy of Family Physicians, the American Academy of Pediatrics, the American Medical Association, and the National Athletic Trainers Association~~ a nationally recognized accreditation agency for athletic training education programs approved by the board.

Sec. 10. Minnesota Statutes 2012, section 148.7802, subdivision 9, is amended to read:

Subd. 9. **Credentialing examination.** "Credentialing examination" means an examination administered by the ~~National Athletic Trainers Association Board of Certification, or the board's recognized successor,~~ for credentialing as an athletic trainer, or an examination for credentialing offered by a national testing service that is approved by the board.

Sec. 11. Minnesota Statutes 2012, section 148.7803, subdivision 1, is amended to read:

Subdivision 1. **Designation.** A person shall not use in connection with the person's name the words or letters registered athletic trainer; licensed athletic trainer; Minnesota registered athletic trainer; athletic trainer; AT; ATR; or any words, letters, abbreviations, or insignia indicating or implying that the person is an athletic trainer, without a certificate of registration as an athletic trainer issued under sections 148.7808 to 148.7810. A student attending a college or university athletic training program must be identified as a ~~"student athletic trainer."~~ "an athletic training student."

Sec. 12. Minnesota Statutes 2012, section 148.7805, subdivision 1, is amended to read:

Subdivision 1. **~~Creation;~~ Membership.** The Athletic Trainers Advisory Council is created and is composed of eight members appointed by the board. The advisory council consists of:

- (1) two public members as defined in section 214.02;
- (2) three members who, ~~except for initial appointees,~~ are registered athletic trainers, one being both a licensed physical therapist and registered athletic trainer as submitted by the Minnesota American Physical Therapy Association;
- (3) two members who are medical physicians licensed by the state and have experience with athletic training and sports medicine; and
- (4) one member who is a doctor of chiropractic licensed by the state and has experience with athletic training and sports injuries.

Sec. 13. Minnesota Statutes 2012, section 148.7808, subdivision 1, is amended to read:

Subdivision 1. **Registration.** The board may issue a certificate of registration as an athletic trainer to applicants who meet the requirements under this section. An applicant for registration as an athletic trainer shall pay a fee under section 148.7815 and file a written application on a form, provided by the board, that includes:

- (1) the applicant's name, Social Security number, home address and telephone number, business address and telephone number, and business setting;

(2) evidence satisfactory to the board of the successful completion of an education program approved by the board;

(3) educational background;

(4) proof of a baccalaureate or master's degree from an accredited college or university;

(5) credentials held in other jurisdictions;

(6) a description of any other jurisdiction's refusal to credential the applicant;

(7) a description of all professional disciplinary actions initiated against the applicant in any other jurisdiction;

(8) any history of drug or alcohol abuse, and any misdemeanor or felony conviction;

(9) evidence satisfactory to the board of a qualifying score on a credentialing examination ~~within one year of the application for registration~~;

(10) additional information as requested by the board;

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

(12) the applicant's signature on a waiver authorizing the board to obtain access to the applicant's records in this state or any other state in which the applicant has completed an education program approved by the board or engaged in the practice of athletic training.

Sec. 14. Minnesota Statutes 2012, section 148.7808, subdivision 4, is amended to read:

Subd. 4. **Temporary registration.** (a) The board may issue a temporary registration as an athletic trainer to qualified applicants. A temporary registration is issued for ~~one year~~ 120 days. An athletic trainer with a temporary registration may qualify for full registration after submission of verified documentation that the athletic trainer has achieved a qualifying score on a credentialing examination within ~~one year~~ 120 days after the date of the temporary registration. A temporary registration may not be renewed.

(b) Except as provided in subdivision 3, paragraph (a), clause (1), an applicant for a temporary registration must submit the application materials and fees for registration required under subdivision 1, clauses (1) to (8) and (10) to (12).

(c) An athletic trainer with a temporary registration shall work only under the direct supervision of an athletic trainer registered under this section. No more than ~~four~~ two athletic trainers with temporary registrations shall work under the direction of a registered athletic trainer.

Sec. 15. Minnesota Statutes 2012, section 148.7812, subdivision 2, is amended to read:

Subd. 2. **Approved programs.** The board shall approve a continuing education program that has been approved for continuing education credit by the ~~National Athletic Trainers Association Board of Certification~~, or the board's recognized successor.

Sec. 16. Minnesota Statutes 2012, section 148.7813, is amended by adding a subdivision to read:

Subd. 5. **Discipline; reporting.** For the purposes of this chapter, registered athletic trainers and applicants are subject to sections 147.091 to 147.162.

Sec. 17. Minnesota Statutes 2012, section 148.7814, is amended to read:

148.7814 APPLICABILITY.

Sections 148.7801 to 148.7815 do not apply to persons who are certified as athletic trainers by the ~~National Athletic Trainers Association~~ Board of Certification or the board's recognized successor and come into Minnesota for a specific athletic event or series of athletic events with an individual or group.

Sec. 18. Minnesota Statutes 2012, section 148.995, subdivision 2, is amended to read:

Subd. 2. **Certified doula.** "Certified doula" means an individual who has received a certification to perform doula services from the International Childbirth Education Association, the Doulas of North America (DONA), the Association of Labor Assistants and Childbirth Educators (ALACE), the Birthworks, the Childbirth and Postpartum Professional Association (CAPP), the Childbirth International, or the International Center for Traditional Childbearing, or the Birth Place/Common Childbirth, Inc.

Sec. 19. Minnesota Statutes 2012, section 148B.5301, subdivision 2, is amended to read:

Subd. 2. **Supervision.** (a) To qualify as a LPCC, an applicant must have completed 4,000 hours of post-master's degree supervised professional practice in the delivery of clinical services in the diagnosis and treatment of mental illnesses and disorders in both children and adults. The supervised practice shall be conducted according to the requirements in paragraphs (b) to (e).

(b) The supervision must have been received under a contract that defines clinical practice and supervision from a mental health professional as defined in section 245.462, subdivision 18, clauses (1) to (6), or 245.4871, subdivision 27, clauses (1) to (6), or by a board-approved supervisor, who has at least two years of postlicensure experience in the delivery of clinical services in the diagnosis and treatment of mental illnesses and disorders. All supervisors must meet the supervisor requirements in Minnesota Rules, part 2150.5010.

(c) The supervision must be obtained at the rate of two hours of supervision per 40 hours of professional practice. The supervision must be evenly distributed over the course of the supervised professional practice. At least 75 percent of the required supervision hours must be received in person. The remaining 25 percent of the required hours may be received by telephone or by audio or audiovisual electronic device. At least 50 percent of the required hours of supervision must be received on an individual basis. The remaining 50 percent may be received in a group setting.

(d) The supervised practice must include at least 1,800 hours of clinical client contact.

(e) The supervised practice must be clinical practice. Supervision includes the observation by the supervisor of the successful application of professional counseling knowledge, skills, and values in the differential diagnosis and treatment of psychosocial function, disability, or impairment, including addictions and emotional, mental, and behavioral disorders.

Sec. 20. Minnesota Statutes 2012, section 148B.5301, subdivision 4, is amended to read:

Subd. 4. **Conversion to licensed professional clinical counselor after August 1, 2014.** ~~After August 1, 2014, an individual licensed in the state of Minnesota as a licensed professional counselor may convert to a LPCC by providing evidence satisfactory to the board that the applicant has met the requirements of subdivisions 1 and 2, subject to the following:~~

~~(1) the individual's license must be active and in good standing;~~

~~(2) the individual must not have any complaints pending, uncompleted disciplinary orders, or corrective action agreements; and~~

~~(3) the individual has paid the LPCC application and licensure fees required in section 148B.53, subdivision 3.~~
(a) After August 1, 2014, an individual currently licensed in the state of Minnesota as a licensed professional counselor may convert to a LPCC by providing evidence satisfactory to the board that the applicant has met the following requirements:

(1) is at least 18 years of age;

(2) is of good moral character;

(3) has a license that is active and in good standing;

(4) has no complaints pending, uncompleted disciplinary order, or corrective action agreements;

(5) has completed a master's or doctoral degree program in counseling or a related field, as determined by the board, and whose degree was from a counseling program recognized by CACREP or from an institution of higher education that is accredited by a regional accrediting organization recognized by CHEA;

(6) has earned 24 graduate-level semester credits or quarter-credit equivalents in clinical coursework which includes content in the following clinical areas:

(i) diagnostic assessment for child or adult mental disorders; normative development; and psychopathology, including developmental psychopathology;

(ii) clinical treatment planning with measurable goals;

(iii) clinical intervention methods informed by research evidence and community standards of practice;

(iv) evaluation methodologies regarding the effectiveness of interventions;

(v) professional ethics applied to clinical practice; and

(vi) cultural diversity;

(7) has demonstrated competence in professional counseling by passing the National Clinical Mental Health Counseling Examination (NCMHCE), administered by the National Board for Certified Counselors, Inc. (NBCC), and ethical, oral, and situational examinations as prescribed by the board;

(8) has demonstrated, to the satisfaction of the board, successful completion of 4,000 hours of supervised, post-master's degree professional practice in the delivery of clinical services in the diagnosis and treatment of child and adult mental illnesses and disorders, which includes 1,800 direct client contact hours. A licensed professional

counselor who has completed 2,000 hours of supervised post-master's degree clinical professional practice and who has independent practice status need only document 2,000 additional hours of supervised post-master's degree clinical professional practice, which includes 900 direct client contact hours; and

(9) has paid the LPCC application and licensure fees required in section 148B.53, subdivision 3.

(b) If the coursework in paragraph (a) was not completed as part of the degree program required by paragraph (a), clause (5), the coursework must be taken and passed for credit, and must be earned from a counseling program or institution that meets the requirements in paragraph (a), clause (5).

Sec. 21. Minnesota Statutes 2012, section 150A.01, subdivision 8a, is amended to read:

Subd. 8a. **Resident dentist.** "Resident dentist" means a person who is licensed to practice dentistry as an enrolled graduate student or student of an advanced education program accredited by the ~~American Dental Association~~ Commission on Dental Accreditation.

Sec. 22. Minnesota Statutes 2012, section 150A.06, subdivision 1, is amended to read:

Subdivision 1. **Dentists.** A person of good moral character who has graduated from a dental program accredited by the Commission on Dental Accreditation ~~of the American Dental Association~~, having submitted an application and fee as prescribed by the board, may be examined by the board or by an agency pursuant to section 150A.03, subdivision 1, in a manner to test the applicant's fitness to practice dentistry. A graduate of a dental college in another country must not be disqualified from examination solely because of the applicant's foreign training if the board determines that the training is equivalent to or higher than that provided by a dental college accredited by the Commission on Dental Accreditation ~~of the American Dental Association~~. In the case of examinations conducted pursuant to section 150A.03, subdivision 1, applicants shall take the examination prior to applying to the board for licensure. The examination shall include an examination of the applicant's knowledge of the laws of Minnesota relating to dentistry and the rules of the board. An applicant is ineligible to retake the clinical examination required by the board after failing it twice until further education and training are obtained as specified by the board by rule. A separate, nonrefundable fee may be charged for each time a person applies. An applicant who passes the examination in compliance with subdivision 2b, abides by professional ethical conduct requirements, and meets all other requirements of the board shall be licensed to practice dentistry and granted a general dentist license by the board.

Sec. 23. Minnesota Statutes 2012, section 150A.06, subdivision 1a, is amended to read:

Subd. 1a. **Faculty dentists.** (a) Faculty members of a school of dentistry must be licensed in order to practice dentistry as defined in section 150A.05. The board may issue to members of the faculty of a school of dentistry a license designated as either a "limited faculty license" or a "full faculty license" entitling the holder to practice dentistry within the terms described in paragraph (b) or (c). The dean of a school of dentistry and program directors of a Minnesota dental hygiene or dental assisting school accredited by the Commission on Dental Accreditation ~~of the American Dental Association~~ shall certify to the board those members of the school's faculty who practice dentistry but are not licensed to practice dentistry in Minnesota. A faculty member who practices dentistry as defined in section 150A.05, before beginning duties in a school of dentistry or a dental hygiene or dental assisting school, shall apply to the board for a limited or full faculty license. Pursuant to Minnesota Rules, chapter 3100, and at the discretion of the board, a limited faculty license must be renewed annually and a full faculty license must be renewed biennially. The faculty applicant shall pay a nonrefundable fee set by the board for issuing and renewing the faculty license. The faculty license is valid during the time the holder remains a member of the faculty of a school of dentistry or a dental hygiene or dental assisting school and subjects the holder to this chapter.

(b) The board may issue to dentist members of the faculty of a Minnesota school of dentistry, dental hygiene, or dental assisting accredited by the Commission on Dental Accreditation ~~of the American Dental Association~~, a license designated as a limited faculty license entitling the holder to practice dentistry within the school and its

affiliated teaching facilities, but only for the purposes of teaching or conducting research. The practice of dentistry at a school facility for purposes other than teaching or research is not allowed unless the dentist was a faculty member on August 1, 1993.

(c) The board may issue to dentist members of the faculty of a Minnesota school of dentistry, dental hygiene, or dental assisting accredited by the Commission on Dental Accreditation ~~of the American Dental Association~~ a license designated as a full faculty license entitling the holder to practice dentistry within the school and its affiliated teaching facilities and elsewhere if the holder of the license is employed 50 percent time or more by the school in the practice of teaching or research, and upon successful review by the board of the applicant's qualifications as described in subdivisions 1, 1c, and 4 and board rule. The board, at its discretion, may waive specific licensing prerequisites.

Sec. 24. Minnesota Statutes 2012, section 150A.06, subdivision 1c, is amended to read:

Subd. 1c. **Specialty dentists.** (a) The board may grant a one or more specialty license licenses in the specialty areas of dentistry that are recognized by the ~~American Dental Association~~ Commission on Dental Accreditation.

(b) An applicant for a specialty license shall:

(1) have successfully completed a postdoctoral specialty ~~education~~ program accredited by the Commission on Dental Accreditation ~~of the American Dental Association~~, or have announced a limitation of practice before 1967;

(2) have been certified by a specialty ~~examining~~ board approved by the Minnesota Board of Dentistry, or provide evidence of having passed a clinical examination for licensure required for practice in any state or Canadian province, or in the case of oral and maxillofacial surgeons only, have a Minnesota medical license in good standing;

(3) have been in active practice or a postdoctoral specialty education program or United States government service at least 2,000 hours in the 36 months prior to applying for a specialty license;

(4) if requested by the board, be interviewed by a committee of the board, which may include the assistance of specialists in the evaluation process, and satisfactorily respond to questions designed to determine the applicant's knowledge of dental subjects and ability to practice;

(5) if requested by the board, present complete records on a sample of patients treated by the applicant. The sample must be drawn from patients treated by the applicant during the 36 months preceding the date of application. The number of records shall be established by the board. The records shall be reasonably representative of the treatment typically provided by the applicant for each specialty area;

(6) at board discretion, pass a board-approved English proficiency test if English is not the applicant's primary language;

(7) pass all components of the National Board Dental Examinations;

(8) pass the Minnesota Board of Dentistry jurisprudence examination;

(9) abide by professional ethical conduct requirements; and

(10) meet all other requirements prescribed by the Board of Dentistry.

(c) The application must include:

- (1) a completed application furnished by the board;
 - (2) at least two character references from two different dentists for each specialty area, one of whom must be a dentist practicing in the same specialty area, and the other from the director of ~~the~~ each specialty program attended;
 - (3) a licensed physician's statement attesting to the applicant's physical and mental condition;
 - (4) a statement from a licensed ophthalmologist or optometrist attesting to the applicant's visual acuity;
 - (5) a nonrefundable fee; and
 - (6) a notarized, unmounted passport-type photograph, three inches by three inches, taken not more than six months before the date of application.
- (d) A specialty dentist holding a one or more specialty ~~license~~ licenses is limited to practicing in the dentist's designated specialty area or areas. The scope of practice must be defined by each national specialty board recognized by the ~~American Dental Association~~ Commission on Dental Accreditation.
- (e) A specialty dentist holding a general ~~dentist dental~~ license is limited to practicing in the dentist's designated specialty area or areas if the dentist has announced a limitation of practice. The scope of practice must be defined by each national specialty board recognized by the ~~American Dental Association~~ Commission on Dental Accreditation.
- (f) All specialty dentists who have fulfilled the specialty dentist requirements and who intend to limit their practice to a particular specialty area or areas may apply for a one or more specialty ~~license~~ licenses.

Sec. 25. Minnesota Statutes 2012, section 150A.06, subdivision 1d, is amended to read:

Subd. 1d. **Dental therapists.** A person of good moral character who has graduated with a baccalaureate degree or a master's degree from a dental therapy education program that has been approved by the board or accredited by the ~~American Dental Association~~ Commission on Dental Accreditation or another board-approved national accreditation organization may apply for licensure.

The applicant must submit an application and fee as prescribed by the board and a diploma or certificate from a dental therapy education program. Prior to being licensed, the applicant must pass a comprehensive, competency-based clinical examination that is approved by the board and administered independently of an institution providing dental therapy education. The applicant must also pass an examination testing the applicant's knowledge of the Minnesota laws and rules relating to the practice of dentistry. An applicant who has failed the clinical examination twice is ineligible to retake the clinical examination until further education and training are obtained as specified by the board. A separate, nonrefundable fee may be charged for each time a person applies. An applicant who passes the examination in compliance with subdivision 2b, abides by professional ethical conduct requirements, and meets all the other requirements of the board shall be licensed as a dental therapist.

Sec. 26. Minnesota Statutes 2012, section 150A.06, subdivision 2, is amended to read:

Subd. 2. **Dental hygienists.** A person of good moral character, who has graduated from a dental hygiene program accredited by the Commission on Dental Accreditation ~~of the American Dental Association~~ and established in an institution accredited by an agency recognized by the United States Department of Education to offer college-level programs, may apply for licensure. The dental hygiene program must provide a minimum of two academic years of dental hygiene education. The applicant must submit an application and fee as prescribed by the board and a diploma or certificate of dental hygiene. Prior to being licensed, the applicant must pass the National Board of

Dental Hygiene examination and a board approved examination designed to determine the applicant's clinical competency. In the case of examinations conducted pursuant to section 150A.03, subdivision 1, applicants shall take the examination before applying to the board for licensure. The applicant must also pass an examination testing the applicant's knowledge of the laws of Minnesota relating to the practice of dentistry and of the rules of the board. An applicant is ineligible to retake the clinical examination required by the board after failing it twice until further education and training are obtained as specified by board rule. A separate, nonrefundable fee may be charged for each time a person applies. An applicant who passes the examination in compliance with subdivision 2b, abides by professional ethical conduct requirements, and meets all the other requirements of the board shall be licensed as a dental hygienist.

Sec. 27. Minnesota Statutes 2012, section 150A.06, subdivision 2a, is amended to read:

Subd. 2a. **Licensed dental assistant.** A person of good moral character, who has graduated from a dental assisting program accredited by the Commission on Dental Accreditation ~~of the American Dental Association~~, may apply for licensure. The applicant must submit an application and fee as prescribed by the board and the diploma or certificate of dental assisting. In the case of examinations conducted pursuant to section 150A.03, subdivision 1, applicants shall take the examination before applying to the board for licensure. The examination shall include an examination of the applicant's knowledge of the laws of Minnesota relating to dentistry and the rules of the board. An applicant is ineligible to retake the licensure examination required by the board after failing it twice until further education and training are obtained as specified by board rule. A separate, nonrefundable fee may be charged for each time a person applies. An applicant who passes the examination in compliance with subdivision 2b, abides by professional ethical conduct requirements, and meets all the other requirements of the board shall be licensed as a dental assistant.

Sec. 28. Minnesota Statutes 2012, section 150A.06, subdivision 2d, is amended to read:

Subd. 2d. **Continuing education and professional development waiver.** (a) The board shall grant a waiver to the continuing education requirements under this chapter for a licensed dentist, licensed dental therapist, licensed dental hygienist, or licensed dental assistant who documents to the satisfaction of the board that the dentist, dental therapist, dental hygienist, or licensed dental assistant has retired from active practice in the state and limits the provision of dental care services to those offered without compensation in a public health, community, or tribal clinic or a nonprofit organization that provides services to the indigent or to recipients of medical assistance, general assistance medical care, or MinnesotaCare programs.

(b) The board may require written documentation from the volunteer and retired dentist, dental therapist, dental hygienist, or licensed dental assistant prior to granting this waiver.

(c) The board shall require the volunteer and retired dentist, dental therapist, dental hygienist, or licensed dental assistant to meet the following requirements:

(1) a licensee seeking a waiver under this subdivision must complete and document at least five hours of approved courses in infection control, medical emergencies, and medical management for the continuing education cycle; and

(2) provide documentation of current CPR certification from completion of the American Heart Association healthcare provider course; or the American Red Cross professional rescuer course; ~~or an equivalent entity.~~

Sec. 29. Minnesota Statutes 2012, section 150A.06, subdivision 3, is amended to read:

Subd. 3. **Waiver of examination.** (a) All or any part of the examination for dentists or dental hygienists, except that pertaining to the law of Minnesota relating to dentistry and the rules of the board, may, at the discretion of the board, be waived for an applicant who presents a certificate of having passed all components of the National Board Dental Examinations or evidence of having maintained an adequate scholastic standing as determined by the board, in dental school as to dentists, or dental hygiene school as to dental hygienists.

(b) The board shall waive the clinical examination required for licensure for any dentist applicant who is a graduate of a dental school accredited by the Commission on Dental Accreditation ~~of the American Dental Association~~, who has passed all components of the National Board Dental Examinations, and who has satisfactorily completed a Minnesota-based postdoctoral general dentistry residency program (GPR) or an advanced education in general dentistry (AEGD) program after January 1, 2004. The postdoctoral program must be accredited by the Commission on Dental Accreditation ~~of the American Dental Association~~, be of at least one year's duration, and include an outcome assessment evaluation assessing the resident's competence to practice dentistry. The board may require the applicant to submit any information deemed necessary by the board to determine whether the waiver is applicable. ~~The board may waive the clinical examination for an applicant who meets the requirements of this paragraph and has satisfactorily completed an accredited postdoctoral general dentistry residency program located outside of Minnesota.~~

Sec. 30. Minnesota Statutes 2012, section 150A.06, subdivision 8, is amended to read:

Subd. 8. **Licensure by credentials.** (a) Any dental assistant may, upon application and payment of a fee established by the board, apply for licensure based on an evaluation of the applicant's education, experience, and performance record in lieu of completing a board-approved dental assisting program for expanded functions as defined in rule, and may be interviewed by the board to determine if the applicant:

(1) has graduated from an accredited dental assisting program accredited by the Commission ~~of~~ on Dental Accreditation ~~of the American Dental Association~~, or is currently certified by the Dental Assisting National Board;

(2) is not subject to any pending or final disciplinary action in another state or Canadian province, or if not currently certified or registered, previously had a certification or registration in another state or Canadian province in good standing that was not subject to any final or pending disciplinary action at the time of surrender;

(3) is of good moral character and abides by professional ethical conduct requirements;

(4) at board discretion, has passed a board-approved English proficiency test if English is not the applicant's primary language; and

(5) has met all expanded functions curriculum equivalency requirements of a Minnesota board-approved dental assisting program.

(b) The board, at its discretion, may waive specific licensure requirements in paragraph (a).

(c) An applicant who fulfills the conditions of this subdivision and demonstrates the minimum knowledge in dental subjects required for licensure under subdivision 2a must be licensed to practice the applicant's profession.

(d) If the applicant does not demonstrate the minimum knowledge in dental subjects required for licensure under subdivision 2a, the application must be denied. If licensure is denied, the board may notify the applicant of any specific remedy that the applicant could take which, when passed, would qualify the applicant for licensure. A denial does not prohibit the applicant from applying for licensure under subdivision 2a.

(e) A candidate whose application has been denied may appeal the decision to the board according to subdivision 4a.

Sec. 31. Minnesota Statutes 2012, section 150A.091, subdivision 16, is amended to read:

Subd. 16. **Failure of professional development portfolio audit.** ~~A licensee shall submit a fee as established by the board not to exceed the amount of \$250 after failing two consecutive professional development portfolio audits and, thereafter, for each failed~~ (a) If a licensee fails a professional development portfolio audit under Minnesota Rules, part 3100.5300-, the board is authorized to take the following actions:

- (1) for the first failure, the board may issue a warning to the licensee;
- (2) for the second failure within ten years, the board may assess a penalty of not more than \$250; and
- (3) for any additional failures within the ten-year period, the board may assess a penalty of not more than \$1,000.
- (b) In addition to the penalty fee, the board may initiate the complaint process to address multiple failed audits.

Sec. 32. Minnesota Statutes 2012, section 150A.10, is amended to read:

150A.10 ALLIED DENTAL PERSONNEL.

Subdivision 1. **Dental hygienists.** Any licensed dentist, licensed dental therapist, public institution, or school authority may obtain services from a licensed dental hygienist. The licensed dental hygienist may provide those services defined in section 150A.05, subdivision 1a. The services provided shall not include the establishment of a final diagnosis or treatment plan for a dental patient. All services shall be provided under supervision of a licensed dentist. Any licensed dentist who shall permit any dental service by a dental hygienist other than those authorized by the Board of Dentistry, shall be deemed to be violating the provisions of sections 150A.01 to 150A.12, and any unauthorized dental service by a dental hygienist shall constitute a violation of sections 150A.01 to 150A.12.

Subd. 1a. **Limited authorization for dental hygienists.** (a) Notwithstanding subdivision 1, a dental hygienist licensed under this chapter may be employed or retained by a health care facility, program, or nonprofit organization to perform dental hygiene services described under paragraph (b) without the patient first being examined by a licensed dentist if the dental hygienist:

(1) has been engaged in the active practice of clinical dental hygiene for not less than 2,400 hours in the past 18 months or a career total of 3,000 hours, including a minimum of 200 hours of clinical practice in two of the past three years;

(2) has entered into a collaborative agreement with a licensed dentist that designates authorization for the services provided by the dental hygienist;

(3) has documented participation in courses in infection control and medical emergencies within each continuing education cycle; and

(4) maintains current CPR certification from completion of the American Heart Association healthcare provider course; or the American Red Cross professional rescuer course, or an equivalent entity.

(b) The dental hygiene services authorized to be performed by a dental hygienist under this subdivision are limited to:

- (1) oral health promotion and disease prevention education;
- (2) removal of deposits and stains from the surfaces of the teeth;
- (3) application of topical preventive or prophylactic agents, including fluoride varnishes and pit and fissure sealants;
- (4) polishing and smoothing restorations;
- (5) removal of marginal overhangs;

- (6) performance of preliminary charting;
- (7) taking of radiographs; and
- (8) performance of scaling and root planing.

The dental hygienist may administer injections of local anesthetic agents or nitrous oxide inhalation analgesia as specifically delegated in the collaborative agreement with a licensed dentist. The dentist need not first examine the patient or be present. If the patient is considered medically compromised, the collaborative dentist shall review the patient record, including the medical history, prior to the provision of these services. Collaborating dental hygienists may work with unlicensed and licensed dental assistants who may only perform duties for which licensure is not required. The performance of dental hygiene services in a health care facility, program, or nonprofit organization as authorized under this subdivision is limited to patients, students, and residents of the facility, program, or organization.

(c) A collaborating dentist must be licensed under this chapter and may enter into a collaborative agreement with no more than four dental hygienists unless otherwise authorized by the board. The board shall develop parameters and a process for obtaining authorization to collaborate with more than four dental hygienists. The collaborative agreement must include:

- (1) consideration for medically compromised patients and medical conditions for which a dental evaluation and treatment plan must occur prior to the provision of dental hygiene services;
- (2) age- and procedure-specific standard collaborative practice protocols, including recommended intervals for the performance of dental hygiene services and a period of time in which an examination by a dentist should occur;
- (3) copies of consent to treatment form provided to the patient by the dental hygienist;
- (4) specific protocols for the placement of pit and fissure sealants and requirements for follow-up care to assure the efficacy of the sealants after application; and
- (5) a procedure for creating and maintaining dental records for the patients that are treated by the dental hygienist. This procedure must specify where these records are to be located.

The collaborative agreement must be signed and maintained by the dentist, the dental hygienist, and the facility, program, or organization; must be reviewed annually by the collaborating dentist and dental hygienist; and must be made available to the board upon request.

(d) Before performing any services authorized under this subdivision, a dental hygienist must provide the patient with a consent to treatment form which must include a statement advising the patient that the dental hygiene services provided are not a substitute for a dental examination by a licensed dentist. If the dental hygienist makes any referrals to the patient for further dental procedures, the dental hygienist must fill out a referral form and provide a copy of the form to the collaborating dentist.

(e) For the purposes of this subdivision, a "health care facility, program, or nonprofit organization" is limited to a hospital; nursing home; home health agency; group home serving the elderly, disabled, or juveniles; state-operated facility licensed by the commissioner of human services or the commissioner of corrections; and federal, state, or local public health facility, community clinic, tribal clinic, school authority, Head Start program, or nonprofit organization that serves individuals who are uninsured or who are Minnesota health care public program recipients.

(f) For purposes of this subdivision, a "collaborative agreement" means a written agreement with a licensed dentist who authorizes and accepts responsibility for the services performed by the dental hygienist. The services authorized under this subdivision and the collaborative agreement may be performed without the presence of a licensed dentist and may be performed at a location other than the usual place of practice of the dentist or dental hygienist and without a dentist's diagnosis and treatment plan, unless specified in the collaborative agreement.

Subd. 2. **Dental assistants.** Every licensed dentist and dental therapist who uses the services of any unlicensed person for the purpose of assistance in the practice of dentistry or dental therapy shall be responsible for the acts of such unlicensed person while engaged in such assistance. The dentist or dental therapist shall permit the unlicensed assistant to perform only those acts which are authorized to be delegated to unlicensed assistants by the Board of Dentistry. The acts shall be performed under supervision of a licensed dentist or dental therapist. A licensed dental therapist shall not supervise more than four ~~registered~~ licensed or unlicensed dental assistants at any one practice setting. The board may permit differing levels of dental assistance based upon recognized educational standards, approved by the board, for the training of dental assistants. The board may also define by rule the scope of practice of licensed and unlicensed dental assistants. The board by rule may require continuing education for differing levels of dental assistants, as a condition to their license or authority to perform their authorized duties. Any licensed dentist or dental therapist who permits an unlicensed assistant to perform any dental service other than that authorized by the board shall be deemed to be enabling an unlicensed person to practice dentistry, and commission of such an act by an unlicensed assistant shall constitute a violation of sections 150A.01 to 150A.12.

Subd. 3. **Dental technicians.** Every licensed dentist and dental therapist who uses the services of any unlicensed person, other than under the dentist's or dental therapist's supervision and within the same practice setting, for the purpose of constructing, altering, repairing or duplicating any denture, partial denture, crown, bridge, splint, orthodontic, prosthetic or other dental appliance, shall be required to furnish such unlicensed person with a written work order in such form as shall be prescribed by the rules of the board. The work order shall be made in duplicate form, a duplicate copy to be retained in a permanent file of the dentist or dental therapist at the practice setting for a period of two years, and the original to be retained in a permanent file for a period of two years by the unlicensed person in that person's place of business. The permanent file of work orders to be kept by the dentist, dental therapist, or unlicensed person shall be open to inspection at any reasonable time by the board or its duly constituted agent.

Subd. 4. **Restorative procedures.** (a) Notwithstanding subdivisions 1, 1a, and 2, a licensed dental hygienist or licensed dental assistant may perform the following restorative procedures:

(1) place, contour, and adjust amalgam restorations;

(2) place, contour, and adjust glass ionomer;

(3) adapt and cement stainless steel crowns; ~~and~~

(4) place, contour, and adjust class I and class V supragingival composite restorations where the margins are entirely within the enamel; and

(5) place, contour, and adjust class II and class V supragingival composite restorations on primary teeth.

(b) The restorative procedures described in paragraph (a) may be performed only if:

(1) the licensed dental hygienist or licensed dental assistant has completed a board-approved course on the specific procedures;

(2) the board-approved course includes a component that sufficiently prepares the licensed dental hygienist or licensed dental assistant to adjust the occlusion on the newly placed restoration;

(3) a licensed dentist or licensed advanced dental therapist has authorized the procedure to be performed; and

(4) a licensed dentist or licensed advanced dental therapist is available in the clinic while the procedure is being performed.

(c) The dental faculty who teaches the educators of the board-approved courses specified in paragraph (b) must have prior experience teaching these procedures in an accredited dental education program.

Sec. 33. Minnesota Statutes 2012, section 153.16, subdivision 1, is amended to read:

Subdivision 1. **License requirements.** The board shall issue a license to practice podiatric medicine to a person who meets the following requirements:

(a) The applicant for a license shall file a written notarized application on forms provided by the board, showing to the board's satisfaction that the applicant is of good moral character and satisfies the requirements of this section.

(b) The applicant shall present evidence satisfactory to the board of being a graduate of a podiatric medical school approved by the board based upon its faculty, curriculum, facilities, accreditation by a recognized national accrediting organization approved by the board, and other relevant factors.

(c) The applicant must have received a passing score on each part of the national board examinations, parts one and two, prepared and graded by the National Board of Podiatric Medical Examiners. The passing score for each part of the national board examinations, parts one and two, is as defined by the National Board of Podiatric Medical Examiners.

(d) Applicants graduating after 1986 from a podiatric medical school shall present evidence ~~satisfactory to the board of the completion of (1) one year of graduate, clinical residency or preceptorship in a program accredited by a national accrediting organization approved by the board or (2) other graduate training that meets standards equivalent to those of an approved national accrediting organization or school of podiatric medicine~~ of successful completion of a residency program approved by a national accrediting podiatric medicine organization.

(e) The applicant shall appear in person before the board or its designated representative to show that the applicant satisfies the requirements of this section, including knowledge of laws, rules, and ethics pertaining to the practice of podiatric medicine. The board may establish as internal operating procedures the procedures or requirements for the applicant's personal presentation.

(f) The applicant shall pay a fee established by the board by rule. The fee shall not be refunded.

(g) The applicant must not have engaged in conduct warranting disciplinary action against a licensee. If the applicant does not satisfy the requirements of this paragraph, the board may refuse to issue a license unless it determines that the public will be protected through issuance of a license with conditions and limitations the board considers appropriate.

(h) Upon payment of a fee as the board may require, an applicant who fails to pass an examination and is refused a license is entitled to reexamination within one year of the board's refusal to issue the license. No more than two reexaminations are allowed without a new application for a license.

Sec. 34. Minnesota Statutes 2012, section 153.16, is amended by adding a subdivision to read:

Subd. 1a. Relicensure after two-year lapse of practice; reentry program. A podiatrist seeking licensure or reinstatement of a license after a lapse of continuous practice of podiatric medicine of greater than two years must reestablish competency by completing a reentry program approved by the board.

Sec. 35. Minnesota Statutes 2012, section 153.16, subdivision 2, is amended to read:

Subd. 2. Applicants licensed in another state. The board shall issue a license to practice podiatric medicine to any person currently or formerly licensed to practice podiatric medicine in another state who satisfies the requirements of this section:

(a) The applicant shall satisfy the requirements established in subdivision 1.

(b) The applicant shall present evidence satisfactory to the board indicating the current status of a license to practice podiatric medicine issued by the first state of licensure and all other states and countries in which the individual has held a license.

(c) If the applicant has had a license revoked, engaged in conduct warranting disciplinary action against the applicant's license, or been subjected to disciplinary action, in another state, the board may refuse to issue a license unless it determines that the public will be protected through issuance of a license with conditions or limitations the board considers appropriate.

(d) The applicant shall submit with the license application the following additional information for the five-year period preceding the date of filing of the application: (1) the name and address of the applicant's professional liability insurer in the other state; and (2) the number, date, and disposition of any podiatric medical malpractice settlement or award made to the plaintiff relating to the quality of podiatric medical treatment.

(e) If the license is active, the applicant shall submit with the license application evidence of compliance with the continuing education requirements in the current state of licensure.

(f) If the license is inactive, the applicant shall submit with the license application evidence of participation in ~~one-half~~ the same number of hours of acceptable continuing education required for biennial renewal, as specified under Minnesota Rules, up to five years. If the license has been inactive for more than two years, the amount of acceptable continuing education required must be obtained during the two years immediately before application or the applicant must provide other evidence as the board may reasonably require.

Sec. 36. Minnesota Statutes 2012, section 153.16, subdivision 3, is amended to read:

Subd. 3. Temporary permit. Upon payment of a fee and in accordance with the rules of the board, the board may issue a temporary permit to practice podiatric medicine to a podiatrist engaged in a clinical residency ~~or preceptorship for a period not to exceed 12 months.~~ ~~A temporary permit may be extended under the following conditions:~~

~~(1) the applicant submits acceptable evidence that the training was interrupted by circumstances beyond the control of the applicant and that the sponsor of the program agrees to the extension;~~

~~(2) the applicant is continuing in a residency that extends for more than one year; or~~

(3) the applicant is continuing in a residency that extends for more than two years, approved by a national accrediting organization. The temporary permit is renewed annually until the residency training requirements are completed or until the residency program is terminated or discontinued.

Sec. 37. Minnesota Statutes 2012, section 153.16, is amended by adding a subdivision to read:

Subd. 4. Continuing education. (a) Every podiatrist licensed to practice in this state shall obtain 40 clock hours of continuing education in each two-year cycle of license renewal. All continuing education hours must be earned by verified attendance at or participation in a program or course sponsored by the Council on Podiatric Medical Education or approved by the board. In each two-year cycle, a maximum of eight hours of continuing education credits may be obtained through participation in online courses.

(b) The number of continuing education hours required during the initial licensure period is that fraction of 40 hours, to the nearest whole hour, that is represented by the ratio of the number of days the license is held in the initial licensure period to 730 days.

Sec. 38. **[214.076] CONVICTION OF FELONY-LEVEL CRIMINAL SEXUAL CONDUCT OFFENSE.**

Subdivision 1. Applicability. This section applies to the health-related licensing boards as defined in section 214.01, subdivision 2, except the Board of Medical Practice and the Board of Chiropractic Examiners, and also applies to the Board of Barber Examiners, the Board of Cosmetologist Examiners, and professions credentialed by the Minnesota Department of Health, including:

- (1) speech-language pathologists and audiologists;
- (2) hearing instrument dispensers; and
- (3) occupational therapists and occupational therapy assistants.

Subd. 2. Issuing and renewing credential to practice. (a) Except as provided in paragraph (e), a credentialing authority listed in subdivision 1 shall not issue or renew a credential to practice to any person who has been convicted on or after August 1, 2014, of any of the provisions of section 609.342, subdivision 1; 609.343, subdivision 1; 609.344, subdivision 1, clauses (c) to (o); or 609.345, subdivision 1, clauses (b) to (o).

(b) A credentialing authority listed in subdivision 1 shall not issue or renew a credential to practice to any person who has been convicted in any other state or country on or after August 1, 2014, of an offense where the elements of the offense are substantially similar to any of the offenses listed in paragraph (a).

(c) A credential to practice is automatically revoked if the credentialed person is convicted of an offense listed in paragraph (a).

(d) For purposes of this section, "conviction" means a plea of guilty, a verdict of guilty by a jury, or a finding of guilty by the court, unless the court stays imposition or execution of the sentence and final disposition of the case is accomplished at a nonfelony level.

(e) A credentialing authority listed in subdivision 1 may establish criteria whereby an individual convicted of an offense listed in paragraph (a) may become credentialed provided that the criteria:

- (1) utilize a rebuttable presumption that the applicant is not suitable for credentialing;
- (2) provide a standard for overcoming the presumption; and

(3) require that a minimum of ten years has elapsed since the applicant was released from any incarceration or supervisory jurisdiction related to the offense.

A credentialing authority listed in subdivision 1 shall not consider an application under this paragraph if the board determines that the victim involved in the offense was a patient or a client of the applicant at the time of the offense.

EFFECTIVE DATE. This section is effective for credentials issued or renewed on or after August 1, 2014.

Sec. 39. **[214.077] TEMPORARY LICENSE SUSPENSION; IMMINENT RISK OF HARM.**

(a) Notwithstanding any provision of a health-related professional practice act, when a health-related licensing board receives a complaint regarding a regulated person and has probable cause to believe continued practice by the regulated person presents an imminent risk of harm, the licensing board shall temporarily suspend the regulated person's professional license. The suspension shall take effect upon written notice to the regulated person and shall specify the reason for the suspension.

(b) The suspension shall remain in effect until the appropriate licensing board or the commissioner completes an investigation and issues a final order in the matter after a hearing.

(c) At the time it issues the suspension notice, the appropriate licensing board shall schedule a disciplinary hearing to be held before the licensing board or pursuant to the Administrative Procedure Act. The regulated person shall be provided with at least ten days' notice of any hearing held pursuant to this subdivision. The hearing shall be scheduled to being no later than 30 days after issuance of the suspension order.

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 40. Minnesota Statutes 2012, section 214.103, subdivision 2, is amended to read:

Subd. 2. **Receipt of complaint.** The boards shall receive and resolve complaints or other communications, whether oral or written, against regulated persons. Before resolving an oral complaint, the executive director or a board member designated by the board to review complaints shall require the complainant to state the complaint in writing or authorize transcribing the complaint. The executive director or the designated board member shall determine whether the complaint alleges or implies a violation of a statute or rule which the board is empowered to enforce. The executive director or the designated board member may consult with the designee of the attorney general as to a board's jurisdiction over a complaint. If the executive director or the designated board member determines that it is necessary, the executive director may seek additional information to determine whether the complaint is jurisdictional or to clarify the nature of the allegations by obtaining records or other written material, obtaining a handwriting sample from the regulated person, clarifying the alleged facts with the complainant, and requesting a written response from the subject of the complaint. The executive director may authorize a field investigation to clarify the nature of the allegations and the facts that led to the complaint.

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 41. Minnesota Statutes 2012, section 214.103, subdivision 3, is amended to read:

Subd. 3. **Referral to other agencies.** The executive director shall forward to another governmental agency any complaints received by the board which do not relate to the board's jurisdiction but which relate to matters within the jurisdiction of another governmental agency. The agency shall advise the executive director of the disposition of the complaint. A complaint or other information received by another governmental agency relating to a statute or rule which a board is empowered to enforce must be forwarded to the executive director of the board to be processed in accordance with this section. Governmental agencies ~~may~~ shall coordinate and conduct joint investigations of complaints that involve more than one governmental agency.

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 42. Minnesota Statutes 2012, section 214.12, is amended by adding a subdivision to read:

Subd. 5. **Health professional services program.** The health-related licensing boards shall include information regarding the health professional services program on their Web sites.

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 43. Minnesota Statutes 2012, section 214.29, is amended to read:

214.29 PROGRAM REQUIRED.

Each health-related licensing board, including the Emergency Medical Services Regulatory Board under chapter 144E, shall ~~either conduct a contract with the health professionals service program under sections 214.31 to 214.37 or contract for a diversion program under section 214.28 for a diversion program for regulated professionals who are unable to practice with reasonable skill and safety by reason of illness, use of alcohol, drugs, chemicals, or any other materials, or as a result of any mental, physical, or psychological condition.~~

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 44. Minnesota Statutes 2012, section 214.31, is amended to read:

214.31 AUTHORITY.

~~Two or more of the health-related licensing boards listed in section 214.01, subdivision 2, may jointly~~ The health professionals services program shall contract with the health-related licensing boards to conduct a health professionals services program to protect the public from persons regulated by the boards who are unable to practice with reasonable skill and safety by reason of illness, use of alcohol, drugs, chemicals, or any other materials, or as a result of any mental, physical, or psychological condition. The program does not affect a board's authority to discipline violations of a board's practice act. For purposes of sections 214.31 to 214.37, the emergency medical services regulatory board shall be included in the definition of a health-related licensing board under chapter 144E.

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 45. Minnesota Statutes 2012, section 214.32, is amended to read:

214.32 PROGRAM OPERATIONS AND RESPONSIBILITIES.

Subdivision 1. **Management.** (a) A Health Professionals Services Program Committee is established, consisting of ~~one person appointed by each participating board, with each participating board having one vote. no fewer than three, or more than six, executive directors of health-related licensing boards or their designees, and two members of the advisory committee established in paragraph (d).~~ Program committee members from the health-related licensing boards shall be appointed by a majority of the executive directors of the health-related licensing boards in July of odd-numbered years. Members from the advisory committee shall be appointed by a majority of advisory committee members in July of odd-numbered years. The program committee shall designate one board to provide administrative management of the program, set the program budget and the pro rata share of program expenses to be borne by each participating board, provide guidance on the general operation of the program, including hiring of program personnel, and ensure that the program's direction is in accord with its authority. The program committee shall establish uniform criteria and procedures governing termination and discharge for all health professionals served by the health professionals services program. If the participating boards change which board is designated to provide administrative management of the program, any appropriation remaining for the program shall transfer to the newly designated board on the effective date of the change. The participating boards

must inform the appropriate legislative committees and the commissioner of management and budget of any change in the administrative management of the program, and the amount of any appropriation transferred under this provision.

(b) The designated board, upon recommendation of the Health Professional Services Program Committee, shall hire the program manager and employees and pay expenses of the program from funds appropriated for that purpose. The designated board may apply for grants to pay program expenses and may enter into contracts on behalf of the program to carry out the purposes of the program. The participating boards shall enter into written agreements with the designated board.

(c) An advisory committee is established ~~to advise the program committee~~ consisting of:

~~(1) one member appointed by each of the following: the Minnesota Academy of Physician Assistants, the Minnesota Dental Association, the Minnesota Chiropractic Association, the Minnesota Licensed Practical Nurse Association, the Minnesota Medical Association, the Minnesota Nurses Association, and the Minnesota Podiatric Medicine Association~~ of the professional associations whose members are eligible for health professionals services program services; and

~~(2) one member appointed by each of the professional associations of the other professions regulated by a participating board not specified in clause (1); and~~

~~(3) two public members, as defined by section 214.02.~~

~~(d) Members of the advisory committee shall be appointed for two years and members may be reappointed.~~

~~(e) The advisory committee shall:~~

~~(1) provide advice and consultation to the health professionals services program staff;~~

~~(2) serve as a liaison to all regulated health professionals who are eligible to participate in the health professionals services program; and~~

~~(3) provide advice and recommendations to the program committee.~~

Subd. 2. **Services.** (a) The program shall provide the following services to program participants:

(1) referral of eligible regulated persons to qualified professionals for evaluation, treatment, and a written plan for continuing care consistent with the regulated person's illness. The referral shall take into consideration the regulated person's financial resources as well as specific needs;

(2) development of individualized program participation agreements between participants and the program to meet the needs of participants and protect the public. An agreement may include, but need not be limited to, recommendations from the continuing care plan, practice monitoring, health monitoring, practice restrictions, random drug screening, support group participation, filing of reports necessary to document compliance, and terms for successful completion of the regulated person's program; and

(3) monitoring of compliance by participants with individualized program participation agreements or board orders.

(b) The program may develop services related to sections 214.31 to 214.37 for employers and colleagues of regulated persons from participating boards.

Subd. 3. **Participant costs.** Each program participant shall be responsible for paying for the costs of physical, psychosocial, or other related evaluation, treatment, laboratory monitoring, and random drug screens.

Subd. 4. **Eligibility.** Admission to the health professional services program is available to a person regulated by a participating board who is unable to practice with reasonable skill and safety by reason of illness, use of alcohol, drugs, chemicals, or any other materials, or as a result of any mental, physical, or psychological condition. Admission in the health professional services program shall be denied to persons:

- (1) who have diverted controlled substances for other than self-administration;
- (2) who have been terminated from this or any other state professional services program for noncompliance in the program, unless referred by a participating board or the commissioner of health;
- (3) currently under a board disciplinary order or corrective action agreement, unless referred by a board;
- (4) ~~regulated under sections 214.17 to 214.25, unless referred by a board or by the commissioner of health;~~
- (5) accused of sexual misconduct; or
- (6) ~~(5)~~ whose continued practice would create a serious risk of harm to the public.

Subd. 5. **Completion; voluntary termination; discharge.** (a) A regulated person completes the program when the terms of the program participation agreement are fulfilled.

(b) A regulated person may voluntarily terminate participation in the health professionals service program at any time by reporting to the person's board which shall result in the program manager making a report to the regulated person's board under section 214.33, subdivision 3.

(c) The program manager may choose to discharge a regulated person from the program and make a referral to the person's board at any time for reasons including but not limited to: the degree of cooperation and compliance by the regulated person, the inability to secure information or the medical records of the regulated person, or indication of other possible violations of the regulated person's practice act. The regulated person shall be notified in writing by the program manager of any change in the person's program status. A regulated person who has been terminated or discharged from the program may be referred back to the program for monitoring.

Subd. 6. **Duties of a health related licensing board.** (a) Upon receiving notice from the program manager that a regulated person has been discharged due to noncompliance or voluntary withdrawal, when the appropriate licensing board has probable cause to believe continued practice by the regulated person presents an imminent risk of harm, the licensing board shall temporarily suspend the regulated person's professional license. The suspension shall take effect upon written notice to the regulated person and shall specify the reason for the suspension.

(b) The suspension shall remain in effect until the appropriate licensing board completes an investigation and issues a final order in the matter after a hearing.

(c) At the time it issues the suspension notice, the appropriate licensing board shall schedule a disciplinary hearing to be held before the licensing board or pursuant to the Administrative Procedure Act. The regulated person shall be provided with at least ten days' notice of any hearing held pursuant to this subdivision. The hearing shall be scheduled to be no later than 30 days after issuance of the suspension order.

(d) This subdivision does not apply to the Office of Complementary and Alternative Health Care Programs.

Sec. 46. Minnesota Statutes 2012, section 214.33, subdivision 3, is amended to read:

Subd. 3. **Program manager.** (a) The program manager shall report to the appropriate participating board a regulated person who:

(1) does not meet program admission criteria;

(2) violates the terms of the program participation agreement;~~or;~~

(3) leaves the program except upon fulfilling the terms for successful completion of the program as set forth in the participation agreement;

(4) is subject to the provisions of sections 214.17 to 214.25;

(5) caused identifiable patient harm;

(6) substituted or adulterated medications;

(7) wrote a prescription or caused a prescription to be filled by a pharmacy in the name of a person or veterinary patient for personal use; or

~~The program manager shall report to the appropriate participating board a regulated person who~~ (8) is alleged to have committed violations of the person's practice act that are outside the authority of the health professionals services program as described in sections 214.31 to 214.37.

(b) The program manager shall inform any reporting person of the disposition of the person's report to the program.

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 47. Minnesota Statutes 2012, section 214.33, is amended by adding a subdivision to read:

Subd. 5. **Employer mandatory reporting.** (a) An employer of a person licensed or regulated by a health-related licensing board listed in section 214.01, subdivision 2, and health care institutions, and other organizations where the licensed or regulated health care professional is engaged in providing services, shall report to the appropriate licensing board that the licensee or regulated person has diverted narcotics or other controlled substances in violation of state or federal narcotics or controlled substance law when:

(1) the employer or entity making the report has knowledge of the diversion; and

(2) the licensee or regulated person has diverted narcotics from the reporting employer or organization or at the reporting institution.

(b) Subdivision 1 does not waive the requirement to report under this subdivision.

(c) The requirement to report under this subdivision does not apply:

(1) to licensees or regulated persons who are self-employed;

(2) if the knowledge was obtained in the course of a professional-patient relationship and the patient is licensed or regulated by a health licensing board; or

(3) if knowledge of the diversion first becomes known to the employer, health care institution, or other organization, either from:

(i) the licensee or regulated person who has self-reported to the health professional services program and who has returned to work pursuant to the health professional services program participation agreement and monitoring plan; or

(ii) an individual who is serving as a work site monitor approved by the health professional services program for a person described in item (i).

Sec. 48. **[214.355] GROUNDS FOR DISCIPLINARY ACTION.**

Each health-related licensing board, including the Emergency Medical Services Regulatory Board under chapter 144E, shall consider it grounds for disciplinary action if a regulated person violates the terms of the health professionals services program participation agreement or leaves the program except upon fulfilling the terms for successful completion of the program as set forth in the participation agreement.

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 49. **REVISOR'S INSTRUCTION.**

(a) The revisor of statutes shall remove cross-references to the sections repealed in this article wherever they appear in Minnesota Statutes and Minnesota Rules and make changes necessary to correct the punctuation, grammar, or structure of the remaining text and preserve its meaning.

(b) The revisor of statutes shall change the term "physician's assistant" to "physician assistant" wherever that term is found in Minnesota Statutes and Minnesota Rules.

EFFECTIVE DATE. Paragraph (a) is effective July 1, 2014.

Sec. 50. **REPEALER.**

(a) (Chiropractors) Minnesota Statutes 2012, section 148.01, subdivision 3, and Minnesota Rules, parts 2500.0100, subparts 3, 4b, and 9b; and 2500.4000, are repealed.

(b) (Health-related licensing boards) Minnesota Statutes 2012, sections 214.28; 214.36; and 214.37, are repealed effective July 1, 2014.

(c) (Occupational therapists) Minnesota Statutes 2013 Supplement, section 148.6440, is repealed the day following final enactment.

(d) (Athletic trainers) Minnesota Statutes 2012, sections 148.7808, subdivision 2; and 148.7813, are repealed.

ARTICLE 5
BOARD OF PHARMACY

Section 1. Minnesota Statutes 2012, section 151.01, is amended to read:

151.01 DEFINITIONS.

Subdivision 1. **Words, terms, and phrases.** Unless the language or context clearly indicates that a different meaning is intended, the following words, terms, and phrases, for the purposes of this chapter, shall be given the meanings subjoined to them.

Subd. 2. **Pharmacy.** "Pharmacy" means ~~an established~~ a place of business in which ~~prescriptions, prescription~~ drugs, ~~medicines, chemicals, and poisons~~ are prepared, compounded, or dispensed, ~~vended, or sold to or for the use of patients by or under the supervision of a pharmacist~~ and from which related clinical pharmacy services are delivered.

Subd. 2a. **Limited service pharmacy.** "Limited service pharmacy" means a pharmacy that has been issued a restricted license by the board to perform a limited range of the activities that constitute the practice of pharmacy.

Subd. 3. **Pharmacist.** The term "pharmacist" means an individual with a currently valid license issued by the Board of Pharmacy to practice pharmacy.

Subd. 5. **Drug.** The term "drug" means all medicinal substances and preparations recognized by the United States Pharmacopoeia and National Formulary, or any revision thereof, vaccines and biologicals, and all substances and preparations intended for external and internal use in the diagnosis, cure, mitigation, treatment, or prevention of disease in humans or other animals, and all substances and preparations, other than food, intended to affect the structure or any function of the bodies of humans or other animals. The term drug shall also mean any compound, substance, or derivative that is not approved for human consumption by the United States Food and Drug Administration or specifically permitted for human consumption under Minnesota law that, when introduced into the body, induces an effect similar to that of a Schedule I or Schedule II controlled substance listed in section 152.02, subdivisions 2 and 3, or Minnesota Rules, parts 6800.4210 and 6800.4220, regardless of whether the substance is marketed for the purpose of human consumption.

Subd. 6. **Medicine.** The term "medicine" means any remedial agent that has the property of curing, preventing, treating, or mitigating diseases, or that is used for that purpose.

Subd. 7. **Poisons.** The term "poisons" means any substance ~~which that,~~ when introduced into the system, directly or by absorption, produces violent, morbid, or fatal changes, or ~~which that~~ destroys living tissue with which it comes in contact.

Subd. 8. **Chemical.** The term "chemical" means all medicinal or industrial substances, whether simple or compound, or obtained through the process of the science and art of chemistry, whether of organic or inorganic origin.

Subd. 9. **Board or State Board of Pharmacy.** The term "board" or "~~State~~ Board of Pharmacy" means the Minnesota ~~State~~ Board of Pharmacy.

Subd. 10. **Director.** The term "director" means the executive director of the Minnesota ~~State~~ Board of Pharmacy.

Subd. 11. **Person.** The term "person" means an individual, firm, partnership, company, corporation, trustee, association, agency, or other public or private entity.

Subd. 12. **Wholesale.** The term "wholesale" means and includes any sale for the purpose of resale.

Subd. 13. **Commercial purposes.** The phrase "commercial purposes" means the ordinary purposes of trade, agriculture, industry, and commerce, exclusive of the practices of medicine ~~and~~ pharmacy, and other health care professions.

Subd. 14. **Manufacturing.** The term "manufacturing" ~~except in the case of bulk compounding, prepackaging or extemporaneous compounding within a pharmacy,~~ means ~~and includes~~ the production, quality control and standardization by mechanical, physical, chemical, or pharmaceutical means, packing, repacking, tableting,

encapsulating, labeling, relabeling, filling or by any other process, of all drugs, medicines, chemicals, or poisons, without exception, for medicinal purposes. preparation, propagation, conversion, or processing of a drug, either directly or indirectly, by extraction from substances of natural origin or independently by means of chemical or biological synthesis. Manufacturing includes the packaging or repackaging of a drug, or the labeling or relabeling of the container of a drug, for resale by pharmacies, practitioners, or other persons. Manufacturing does not include the prepackaging, extemporaneous compounding, or anticipatory compounding of a drug within a licensed pharmacy or by a practitioner, nor the labeling of a container within a pharmacy or by a practitioner for the purpose of dispensing a drug to a patient pursuant to a valid prescription.

Subd. 14a. **Manufacturer.** The term "manufacturer" means any person engaged in manufacturing.

Subd. 14b. **Outsourcing facility.** "Outsourcing facility" means a facility that is registered by the United States Food and Drug Administration pursuant to United States Code, title 21, section 353b.

Subd. 15. **Pharmacist intern.** The term "pharmacist intern" means (1) a natural person satisfactorily progressing toward the degree in pharmacy required for licensure, or (2) a graduate of the University of Minnesota College of Pharmacy, or other pharmacy college approved by the board, who is registered by the State Board of Pharmacy for the purpose of obtaining practical experience as a requirement for licensure as a pharmacist, or (3) a qualified applicant awaiting examination for licensure.

Subd. 15a. **Pharmacy technician.** The term "pharmacy technician" means a person not licensed as a pharmacist or a pharmacist intern, who assists the pharmacist in the preparation and dispensing of medications by performing computer entry of prescription data and other manipulative tasks. A pharmacy technician shall not perform tasks specifically reserved to a licensed pharmacist or requiring professional judgment.

Subd. 16. **Prescription drug order.** The term "prescription drug order" means a signed lawful written order, or an oral, or electronic order reduced to writing, given by of a practitioner licensed to prescribe drugs for patients in the course of the practitioner's practice, issued for an individual patient and containing the following: the date of issue, name and address of the patient, name and quantity of the drug prescribed, directions for use, and the name and address of the prescriber. for a drug for a specific patient. Prescription drug orders for controlled substances must be prepared in accordance with the provisions of section 152.11 and the federal Controlled Substances Act and the regulations promulgated thereunder.

Subd. 16a. **Prescription.** The term "prescription" means a prescription drug order that is written or printed on paper, an oral order reduced to writing by a pharmacist, or an electronic order. To be valid, a prescription must be issued for an individual patient by a practitioner within the scope and usual course of the practitioner's practice, and must contain the date of issue, name and address of the patient, name and quantity of the drug prescribed, directions for use, the name and address of the practitioner, and a telephone number at which the practitioner can be reached. A prescription written or printed on paper that is given to the patient or an agent of the patient or that is transmitted by fax must contain the practitioner's manual signature. An electronic prescription must contain the practitioner's electronic signature.

Subd. 16b. **Chart order.** The term "chart order" means a prescription drug order for a drug that is to be dispensed by a pharmacist, or by a pharmacist intern under the direct supervision of a pharmacist, and administered by an authorized person only during the patient's stay in a hospital or long-term care facility. The chart order shall contain the name of the patient, another patient identifier such as birth date or medical record number, the drug ordered, and any directions that the practitioner may prescribe concerning strength, dosage, frequency, and route of administration. The manual or electronic signature of the practitioner must be affixed to the chart order at the time it is written or at a later date in the case of verbal chart orders.

Subd. 17. **Legend drug.** "Legend drug" means a drug ~~which that~~ is required by federal law to ~~bear the following statement, "Caution: Federal law prohibits dispensing without prescription."~~ be dispensed only pursuant to the prescription of a licensed practitioner.

Subd. 18. **Label.** "Label" means a display of written, printed, or graphic matter upon the immediate container of any drug or medicine; ~~and a requirement made by or under authority of Laws 1969, chapter 933 that~~. Any word, statement, or other information ~~appearing required by or under the authority of this chapter to appear~~ on the label shall ~~not be considered to be complied with unless such word, statement, or other information also appears~~ appear on the outside container or wrapper, if any there be, of the retail package of such drug or medicine, or ~~is~~ be easily legible through the outside container or wrapper.

Subd. 19. **Package.** "Package" means any container or wrapping in which any drug or medicine is enclosed for use in the delivery or display of that article to retail purchasers, but does not include:

(a) shipping containers or wrappings used solely for the transportation of any such article in bulk or in quantity to manufacturers, packers, processors, or wholesale or retail distributors;

(b) shipping containers or outer wrappings used by retailers to ship or deliver any such article to retail customers if such containers and wrappings bear no printed matter pertaining to any particular drug or medicine.

Subd. 20. **Labeling.** "Labeling" means all labels and other written, printed, or graphic matter (a) upon a drug or medicine or any of its containers or wrappers, or (b) accompanying such article.

Subd. 21. **Federal act.** "Federal act" means the Federal Food, Drug, and Cosmetic Act, United States Code, title 21, section 301, et seq., as amended.

Subd. 22. **Pharmacist in charge.** "Pharmacist in charge" means a duly licensed pharmacist in the state of Minnesota who has been designated in accordance with the rules of the ~~State~~ Board of Pharmacy to assume professional responsibility for the operation of the pharmacy in compliance with the requirements and duties as established by the board in its rules.

Subd. 23. **Practitioner.** "Practitioner" means a licensed doctor of medicine, licensed doctor of osteopathy duly licensed to practice medicine, licensed doctor of dentistry, licensed doctor of optometry, licensed podiatrist, or licensed veterinarian. For purposes of sections 151.15, subdivision 4; 151.252, subdivision 3; 151.37, subdivision 2, paragraphs (b), (e), and (f); and 151.461, "practitioner" also means a physician assistant authorized to prescribe, dispense, and administer under chapter 147A, or an advanced practice nurse authorized to prescribe, dispense, and administer under section 148.235. For purposes of sections 151.15, subdivision 4; 151.252, subdivision 3; 151.37, subdivision 2, paragraph (b); and 151.461, "practitioner" also means a dental therapist authorized to dispense and administer under chapter 150A.

Subd. 24. **Brand name.** "Brand name" means the registered trademark name given to a drug product by its manufacturer, labeler or distributor.

Subd. 25. **Generic name.** "Generic name" means the established name or official name of a drug or drug product.

Subd. 26. **Finished dosage form.** "Finished dosage form" means that form of a drug ~~which that~~ is or is intended to be dispensed or administered to the patient and requires no further manufacturing or processing other than packaging, reconstitution, or labeling.

Subd. 27. **Practice of pharmacy.** "Practice of pharmacy" means:

- (1) interpretation and evaluation of prescription drug orders;
- (2) compounding, labeling, and dispensing drugs and devices (except labeling by a manufacturer or packager of nonprescription drugs or commercially packaged legend drugs and devices);
- (3) participation in clinical interpretations and monitoring of drug therapy for assurance of safe and effective use of drugs;
- (4) participation in drug and therapeutic device selection; drug administration for first dosage and medical emergencies; drug regimen reviews; and drug or drug-related research;
- (5) participation in administration of influenza vaccines to all eligible individuals ten years of age and older and all other vaccines to patients 18 years of age and older ~~under standing orders from a physician licensed under chapter 147 or~~ by written protocol with a physician licensed under chapter 147, a physician assistant authorized to prescribe drugs under chapter 147A, or an advanced practice nurse authorized to prescribe drugs under section 148.235, provided that:

(i) the protocol includes, at a minimum:

- (A) the name, dose, and route of each vaccine that may be given;
- (B) the patient population for whom the vaccine may be given;
- (C) contraindications and precautions to the vaccine;
- (D) the procedure for handling an adverse reaction;
- (E) the name, signature, and address of the physician, physician assistant, or advanced nurse practitioner;
- (F) a telephone number at which the physician, physician assistant, or advanced nurse practitioner can be contacted; and
- (G) the date and time period for which the protocol is valid;

~~(ii)~~ (ii) the pharmacist is trained in ~~has successfully completed~~ a program approved by the American Accreditation Council of Pharmaceutical for Pharmacy Education specifically for the administration of immunizations or graduated from a college of pharmacy in 2001 or thereafter a program approved by the board; and

~~(iii)~~ (iii) the pharmacist reports the administration of the immunization to the patient's primary physician or clinic or to the Minnesota Immunization Information Connection; and

(iv) the pharmacist complies with guidelines for vaccines and immunizations established by the federal Advisory Committee on Immunization Practices, except that a pharmacist does not need to comply with those portions of the guidelines that establish immunization schedules when administering a vaccine pursuant to a valid, patient-specific order issued by a physician licensed under chapter 147, a physician assistant authorized to prescribe drugs under chapter 147A, or an advanced practice nurse authorized to prescribe drugs under section 148.235, provided that the order is consistent with the United States Food and Drug Administration approved labeling of the vaccine;

(6) participation in the ~~practice of managing drug therapy and modifying initiation, management, modification, and discontinuation of drug therapy, according to section 151.21, subdivision 1,~~ according to a written protocol or collaborative practice agreement between the specific pharmacist; (i) one or more pharmacists and the individual dentist, optometrist, physician, podiatrist, or veterinarian who is responsible for the patient's care and authorized to independently prescribe drugs one or more dentists, optometrists, physicians, podiatrists, or veterinarians; or (ii) one or more pharmacists and one or more physician assistants authorized to prescribe, dispense, and administer under chapter 147A, or advanced practice nurses authorized to prescribe, dispense, and administer under section 148.235. Any significant changes in drug therapy made pursuant to a protocol or collaborative practice agreement must be reported ~~documented~~ by the pharmacist ~~to~~ in the patient's medical record or reported by the pharmacist to a practitioner responsible for the patient's care;

(7) participation in the storage of drugs and the maintenance of records;

(8) ~~responsibility for participation in~~ patient counseling on therapeutic values, content, hazards, and uses of drugs and devices; and

(9) offering or performing those acts, services, operations, or transactions necessary in the conduct, operation, management, and control of a pharmacy.

Subd. 27a. Protocol. "Protocol" means:

(1) a specific written plan that describes the nature and scope of activities that a pharmacist may engage in when initiating, managing, modifying, or discontinuing drug therapy as allowed in subdivision 27, clause (6); or

(2) a specific written plan that authorizes a pharmacist to administer vaccines and that complies with subdivision 27, clause (5).

Subd. 27b. Collaborative practice. "Collaborative practice" means patient care activities, consistent with subdivision 27, engaged in by one or more pharmacists who have agreed to work in collaboration with one or more practitioners to initiate, manage, and modify drug therapy under specified conditions mutually agreed to by the pharmacists and practitioners.

Subd. 27c. Collaborative practice agreement. "Collaborative practice agreement" means a written and signed agreement between one or more pharmacists and one or more practitioners that allows the pharmacist or pharmacists to engage in collaborative practice.

Subd. 28. Veterinary legend drug. "Veterinary legend drug" means a drug that is required by federal law to bear the following statement: "~~Caution: Federal law restricts this drug to use by or on the order of a licensed veterinarian.~~" be dispensed only pursuant to the prescription of a licensed veterinarian.

Subd. 29. Legend medical gas. "Legend medical gas" means a liquid or gaseous substance used for medical purposes and that is required by federal law to bear the following statement: "~~Caution: Federal law prohibits dispensing without a prescription.~~" be dispensed only pursuant to the prescription of a licensed practitioner.

Subd. 30. Dispense or dispensing. "Dispense or dispensing" means the ~~preparation or delivery of a drug pursuant to a lawful order of a practitioner in a suitable container appropriately labeled for subsequent administration to or use by a patient or other individual entitled to receive the drug.~~ interpretation, evaluation, and processing of a prescription drug order and includes those processes specified by the board in rule that are necessary for the preparation and provision of a drug to a patient or patient's agent in a suitable container appropriately labeled for subsequent administration to, or use by, a patient.

Subd. 31. **Central service pharmacy.** "Central service pharmacy" means a pharmacy that may provide dispensing functions, drug utilization review, packaging, labeling, or delivery of a prescription product to another pharmacy for the purpose of filling a prescription.

Subd. 32. **Electronic signature.** "Electronic signature" means an electronic sound, symbol, or process attached to or associated with a record and executed or adopted by a person with the intent to sign the record.

Subd. 33. **Electronic transmission.** "Electronic transmission" means transmission of information in electronic form.

Subd. 34. **Health professional shortage area.** "Health professional shortage area" means an area designated as such by the federal Secretary of Health and Human Services, as provided under Code of Federal Regulations, title 42, part 5, and United States Code, title 42, section 254E.

Subd. 35. **Compounding.** "Compounding" means preparing, mixing, assembling, packaging, and labeling a drug for an identified individual patient as a result of a practitioner's prescription drug order. Compounding also includes anticipatory compounding, as defined in this section, and the preparation of drugs in which all bulk drug substances and components are nonprescription substances. Compounding does not include mixing or reconstituting a drug according to the product's labeling or to the manufacturer's directions. Compounding does not include the preparation of a drug for the purpose of, or incident to, research, teaching, or chemical analysis, provided that the drug is not prepared for dispensing or administration to patients. All compounding, regardless of the type of product, must be done pursuant to a prescription drug order unless otherwise permitted in this chapter or by the rules of the board.

Subd. 36. **Anticipatory compounding.** "Anticipatory compounding" means the preparation by a pharmacy of a supply of a compounded drug product that is sufficient to meet the short-term anticipated need of the pharmacy for the filling of prescription drug orders. In the case of practitioners only, anticipatory compounding means the preparation of a supply of a compounded drug product that is sufficient to meet the practitioner's short-term anticipated need for dispensing or administering the drug to patients treated by the practitioner. Anticipatory compounding is not the preparation of a compounded drug product for wholesale distribution.

Subd. 37. **Extemporaneous compounding.** "Extemporaneous compounding" means the compounding of a drug product pursuant to a prescription drug order for a specific patient that is issued in advance of the compounding. Extemporaneous compounding is not the preparation of a compounded drug product for wholesale distribution.

Subd. 38. **Compounded positron emission tomography drug.** "Compounded positron emission tomography drug" means a drug that:

(1) exhibits spontaneous disintegration of unstable nuclei by the emission of positrons and is used for the purpose of providing dual photon positron emission tomographic diagnostic images;

(2) has been compounded by or on the order of a practitioner in accordance with the relevant parts of Minnesota Rules, chapters 4731 and 6800, for a patient or for research, teaching, or quality control; and

(3) includes any nonradioactive reagent, reagent kit, ingredient, nuclide generator, accelerator, target material, electronic synthesizer, or other apparatus or computer program to be used in the preparation of such a drug.

Sec. 2. Minnesota Statutes 2012, section 151.06, is amended to read:

151.06 POWERS AND DUTIES.

Subdivision 1. **Generally; rules.** (a) Powers and duties. The Board of Pharmacy shall have the power and it shall be its duty:

(1) to regulate the practice of pharmacy;

(2) to regulate the manufacture, wholesale, and retail sale of drugs within this state;

(3) to regulate the identity, labeling, purity, and quality of all drugs and medicines dispensed in this state, using the United States Pharmacopeia and the National Formulary, or any revisions thereof, or standards adopted under the federal act as the standard;

(4) to enter and inspect by its authorized representative any and all places where drugs, medicines, medical gases, or veterinary drugs or devices are sold, vended, given away, compounded, dispensed, manufactured, wholesaled, or held; it may secure samples or specimens of any drugs, medicines, medical gases, or veterinary drugs or devices after paying or offering to pay for such sample; it shall be entitled to inspect and make copies of any and all records of shipment, purchase, manufacture, quality control, and sale of these items provided, however, that such inspection shall not extend to financial data, sales data, or pricing data;

(5) to examine and license as pharmacists all applicants whom it shall deem qualified to be such;

(6) to license wholesale drug distributors;

(7) to ~~deny, suspend, revoke, or refuse to renew~~ take disciplinary action against any registration or license required under this chapter, ~~to any applicant or registrant or licensee~~ upon any of the ~~following grounds:~~ listed in section 151.071, and in accordance with the provisions of section 151.071;

~~(i) fraud or deception in connection with the securing of such license or registration;~~

~~(ii) in the case of a pharmacist, conviction in any court of a felony;~~

~~(iii) in the case of a pharmacist, conviction in any court of an offense involving moral turpitude;~~

~~(iv) habitual indulgence in the use of narcotics, stimulants, or depressant drugs; or habitual indulgence in intoxicating liquors in a manner which could cause conduct endangering public health;~~

~~(v) unprofessional conduct or conduct endangering public health;~~

~~(vi) gross immorality;~~

~~(vii) employing, assisting, or enabling in any manner an unlicensed person to practice pharmacy;~~

~~(viii) conviction of theft of drugs, or the unauthorized use, possession, or sale thereof;~~

~~(ix) violation of any of the provisions of this chapter or any of the rules of the State Board of Pharmacy;~~

~~(x) in the case of a pharmacy license, operation of such pharmacy without a pharmacist present and on duty;~~

~~(xi) in the case of a pharmacist, physical or mental disability which could cause incompetency in the practice of pharmacy;~~

~~(xii) in the case of a pharmacist, the suspension or revocation of a license to practice pharmacy in another state; or~~

~~(xiii) in the case of a pharmacist, aiding suicide or aiding attempted suicide in violation of section 609.215 as established by any of the following:~~

~~(A) a copy of the record of criminal conviction or plea of guilty for a felony in violation of section 609.215, subdivision 1 or 2;~~

~~(B) a copy of the record of a judgment of contempt of court for violating an injunction issued under section 609.215, subdivision 4;~~

~~(C) a copy of the record of a judgment assessing damages under section 609.215, subdivision 5; or~~

~~(D) a finding by the board that the person violated section 609.215, subdivision 1 or 2. The board shall investigate any complaint of a violation of section 609.215, subdivision 1 or 2;~~

(8) to employ necessary assistants and adopt rules for the conduct of its business;

(9) to register as pharmacy technicians all applicants who the board determines are qualified to carry out the duties of a pharmacy technician; ~~and~~

(10) to perform such other duties and exercise such other powers as the provisions of the act may require; and

(11) to enter and inspect any business to which it issues a license or registration.

~~(b) Temporary suspension. In addition to any other remedy provided by law, the board may, without a hearing, temporarily suspend a license for not more than 60 days if the board finds that a pharmacist has violated a statute or rule that the board is empowered to enforce and continued practice by the pharmacist would create an imminent risk of harm to others. The suspension shall take effect upon written notice to the pharmacist, specifying the statute or rule violated. At the time it issues the suspension notice, the board shall schedule a disciplinary hearing to be held under the Administrative Procedure Act. The pharmacist shall be provided with at least 20 days' notice of any hearing held under this subdivision.~~

~~(e)~~ (b) Rules. For the purposes aforesaid, it shall be the duty of the board to make and publish uniform rules not inconsistent herewith for carrying out and enforcing the provisions of this chapter. The board shall adopt rules regarding prospective drug utilization review and patient counseling by pharmacists. A pharmacist in the exercise of the pharmacist's professional judgment, upon the presentation of a ~~new~~ prescription by a patient or the patient's caregiver or agent, shall perform the prospective drug utilization review required by rules issued under this subdivision.

~~(d)~~ (c) Substitution; rules. If the United States Food and Drug Administration (FDA) determines that the substitution of drugs used for the treatment of epilepsy or seizures poses a health risk to patients, the board shall adopt rules in accordance with accompanying FDA interchangeability standards regarding the use of substitution for these drugs. If the board adopts a rule regarding the substitution of drugs used for the treatment of epilepsy or seizures that conflicts with the substitution requirements of section 151.21, subdivision 3, the rule shall supersede the conflicting statute. If the rule proposed by the board would increase state costs for state public health care programs, the board shall report to the chairs and ranking minority members of the senate Health and Human Services Budget Division and the house of representatives Health Care and Human Services Finance Division the proposed rule and the increased cost associated with the proposed rule before the board may adopt the rule.

Subd. 1a. **Disciplinary action Cease and desist orders.** ~~It shall be grounds for disciplinary action by the Board of Pharmacy against the registration of the pharmacy if the Board of Pharmacy determines that any person with supervisory responsibilities at the pharmacy sets policies that prevent a licensed pharmacist from providing drug utilization review and patient counseling as required by rules adopted under subdivision 1. The Board of Pharmacy shall follow the requirements of chapter 14 in any disciplinary actions taken under this section.~~ (a) Whenever it appears to the board that a person has engaged in an act or practice constituting a violation of a law, rule, or other order related to the duties and responsibilities entrusted to the board, the board may issue and cause to be served upon the person an order requiring the person to cease and desist from violations.

(b) The cease and desist order must state the reasons for the issuance of the order and must give reasonable notice of the rights of the person to request a hearing before an administrative law judge. A hearing must be held not later than ten days after the request for the hearing is received by the board. After the completion of the hearing, the administrative law judge shall issue a report within ten days. Within 15 days after receiving the report of the administrative law judge, the board shall issue a further order vacating or making permanent the cease and desist order. The time periods provided in this provision may be waived by agreement of the executive director of the board and the person against whom the cease and desist order was issued. If the person to whom a cease and desist order is issued fails to appear at the hearing after being duly notified, the person is in default, and the proceeding may be determined against that person upon consideration of the cease and desist order, the allegations of which may be considered to be true. Unless otherwise provided, all hearings must be conducted according to chapter 14. The board may adopt rules of procedure concerning all proceedings conducted under this subdivision.

(c) If no hearing is requested within 30 days of service of the order, the cease and desist order will become permanent.

(d) A cease and desist order issued under this subdivision remains in effect until it is modified or vacated by the board. The administrative proceeding provided by this subdivision, and subsequent appellate judicial review of that administrative proceeding, constitutes the exclusive remedy for determining whether the board properly issued the cease and desist order and whether the cease and desist order should be vacated or made permanent.

Subd. 1b. **Enforcement of violations of cease and desist orders.** (a) Whenever the board under subdivision 1a seeks to enforce compliance with a cease and desist order that has been made permanent, the allegations of the cease and desist order are considered conclusively established for purposes of proceeding under subdivision 1a for permanent or temporary relief to enforce the cease and desist order. Whenever the board under subdivision 1a seeks to enforce compliance with a cease and desist order when a hearing or hearing request on the cease and desist order is pending, or the time has not yet expired to request a hearing on whether a cease and desist order should be vacated or made permanent, the allegations in the cease and desist order are considered conclusively established for the purposes of proceeding under subdivision 1a for temporary relief to enforce the cease and desist order.

(b) Notwithstanding this subdivision or subdivision 1a, the person against whom the cease and desist order is issued and who has requested a hearing under subdivision 1a may, within 15 days after service of the cease and desist order, bring an action in Ramsey County District Court for issuance of an injunction to suspend enforcement of the cease and desist order pending a final decision of the board under subdivision 1a to vacate or make permanent the cease and desist order. The court shall determine whether to issue such an injunction based on traditional principles of temporary relief.

Subd. 2. **Application.** In the case of a facility licensed or registered by the board, the provisions of subdivision 1 shall apply to an individual owner or sole proprietor and shall also apply to the following:

- (1) In the case of a partnership, each partner thereof;
- (2) In the case of an association, each member thereof;

(3) In the case of a corporation, each officer or director thereof and each shareholder owning 30 percent or more of the voting stock of such corporation.

~~Subd. 3. **Application of Administrative Procedure Act.** The board shall comply with the provisions of chapter 14, before it fails to issue, renew, suspends, or revokes any license or registration issued under this chapter.~~

~~Subd. 4. **Reinstatement.** Any license or registration which has been suspended or revoked may be reinstated by the board provided the holder thereof shall pay all costs of the proceedings resulting in the suspension or revocation, and, in addition thereto, pay a fee set by the board.~~

~~Subd. 5. **Costs; penalties.** The board may impose a civil penalty not exceeding \$10,000 for each separate violation, the amount of the civil penalty to be fixed so as to deprive a licensee or registrant of any economic advantage gained by reason of the violation, to discourage similar violations by the licensee or registrant or any other licensee or registrant, or to reimburse the board for the cost of the investigation and proceeding, including, but not limited to, fees paid for services provided by the Office of Administrative Hearings, legal and investigative services provided by the Office of the Attorney General, court reporters, witnesses, reproduction of records, board members' per diem compensation, board staff time, and travel costs and expenses incurred by board staff and board members.~~

Sec. 3. **[151.071] DISCIPLINARY ACTION.**

Subdivision 1. **Forms of disciplinary action.** When the board finds that a licensee, registrant, or applicant has engaged in conduct prohibited under subdivision 2, it may do one or more of the following:

(1) deny the issuance of a license or registration;

(2) refuse to renew a license or registration;

(3) revoke the license or registration;

(4) suspend the license or registration;

(5) impose limitations, conditions, or both on the license or registration, including but not limited to: the limitation of practice designated settings; the imposition of retraining or rehabilitation requirements; the requirement of practice under supervision; the requirement of participation in a diversion program such as that established pursuant to section 214.31 or the conditioning of continued practice on demonstration of knowledge or skills by appropriate examination or other review of skill and competence;

(6) impose a civil penalty not exceeding \$10,000 for each separate violation, the amount of the civil penalty to be fixed so as to deprive a licensee or registrant of any economic advantage gained by reason of the violation, to discourage similar violations by the licensee or registrant or any other licensee or registrant, or to reimburse the board for the cost of the investigation and proceeding, including but not limited to, fees paid for services provided by the Office of Administrative Hearings, legal and investigative services provided by the Office of the Attorney General, court reporters, witnesses, reproduction of records, board members' per diem compensation, board staff time, and travel costs and expenses incurred by board staff and board members; and

(7) reprimand the licensee or registrant.

Subd. 2. **Grounds for disciplinary action.** The following conduct is prohibited and is grounds for disciplinary action:

(1) failure to demonstrate the qualifications or satisfy the requirements for a license or registration contained in this chapter or the rules of the board. The burden of proof is on the applicant to demonstrate such qualifications or satisfaction of such requirements;

(2) obtaining a license by fraud or by misleading the board in any way during the application process or obtaining a license by cheating, or attempting to subvert the licensing examination process. Conduct that subverts or attempts to subvert the licensing examination process includes, but is not limited to: (i) conduct that violates the security of the examination materials, such as removing examination materials from the examination room or having unauthorized possession of any portion of a future, current, or previously administered licensing examination; (ii) conduct that violates the standard of test administration, such as communicating with another examinee during administration of the examination, copying another examinee's answers, permitting another examinee to copy one's answers, or possessing unauthorized materials; or (iii) impersonating an examinee or permitting an impersonator to take the examination on one's own behalf;

(3) for a pharmacist, pharmacy technician, pharmacist intern, applicant for a pharmacist or pharmacy license, or applicant for a pharmacy technician or pharmacist intern registration, conviction of a felony reasonably related to the practice of pharmacy. Conviction as used in this subdivision includes a conviction of an offense that if committed in this state would be deemed a felony without regard to its designation elsewhere, or a criminal proceeding where a finding or verdict of guilt is made or returned but the adjudication of guilt is either withheld or not entered thereon. The board may delay the issuance of a new license or registration if the applicant has been charged with a felony until the matter has been adjudicated;

(4) for a facility, other than a pharmacy, licensed or registered by the board, if an owner or applicant is convicted of a felony reasonably related to the operation of the facility. The board may delay the issuance of a new license or registration if the owner or applicant has been charged with a felony until the matter has been adjudicated;

(5) for a controlled substance researcher, conviction of a felony reasonably related to controlled substances or to the practice of the researcher's profession. The board may delay the issuance of a registration if the applicant has been charged with a felony until the matter has been adjudicated;

(6) disciplinary action taken by another state or by one of this state's health licensing agencies:

(i) revocation, suspension, restriction, limitation, or other disciplinary action against a license or registration in another state or jurisdiction, failure to report to the board that charges or allegations regarding the person's license or registration have been brought in another state or jurisdiction, or having been refused a license or registration by any other state or jurisdiction. The board may delay the issuance of a new license or registration if an investigation or disciplinary action is pending in another state or jurisdiction until the investigation or action has been dismissed or otherwise resolved; and

(ii) revocation, suspension, restriction, limitation, or other disciplinary action against a license or registration issued by another of this state's health licensing agencies, failure to report to the board that charges regarding the person's license or registration have been brought by another of this state's health licensing agencies, or having been refused a license or registration by another of this state's health licensing agencies. The board may delay the issuance of a new license or registration if a disciplinary action is pending before another of this state's health licensing agencies until the action has been dismissed or otherwise resolved;

(7) for a pharmacist, pharmacy, pharmacy technician, or pharmacist intern, violation of any order of the board, of any of the provisions of this chapter or any rules of the board or violation of any federal, state, or local law or rule reasonably pertaining to the practice of pharmacy;

(8) for a facility, other than a pharmacy, licensed by the board, violations of any order of the board, of any of the provisions of this chapter or the rules of the board or violation of any federal, state, or local law relating to the operation of the facility;

(9) engaging in any unethical conduct; conduct likely to deceive, defraud, or harm the public, or demonstrating a willful or careless disregard for the health, welfare, or safety of a patient; or pharmacy practice that is professionally incompetent, in that it may create unnecessary danger to any patient's life, health, or safety, in any of which cases, proof of actual injury need not be established;

(10) aiding or abetting an unlicensed person in the practice of pharmacy, except that it is not a violation of this clause for a pharmacist to supervise a properly registered pharmacy technician or pharmacist intern if that person is performing duties allowed by this chapter or the rules of the board;

(11) for an individual licensed or registered by the board, adjudication as mentally ill or developmentally disabled, or as a chemically dependent person, a person dangerous to the public, a sexually dangerous person, or a person who has a sexual psychopathic personality, by a court of competent jurisdiction, within or without this state. Such adjudication shall automatically suspend a license for the duration thereof unless the board orders otherwise;

(12) for a pharmacist or pharmacy intern, engaging in unprofessional conduct as specified in the board's rules. In the case of a pharmacy technician, engaging in conduct specified in board rules that would be unprofessional if it were engaged in by a pharmacist or pharmacist intern or performing duties specifically reserved for pharmacists under this chapter or the rules of the board;

(13) for a pharmacy, operation of the pharmacy without a pharmacist present and on duty except as allowed by a variance approved by the board;

(14) for a pharmacist, the inability to practice pharmacy with reasonable skill and safety to patients by reason of illness, drunkenness, use of drugs, narcotics, chemicals, or any other type of material or as a result of any mental or physical condition, including deterioration through the aging process or loss of motor skills. In the case of registered pharmacy technicians, pharmacist interns, or controlled substance researchers, the inability to carry out duties allowed under this chapter or the rules of the board with reasonable skill and safety to patients by reason of illness, drunkenness, use of drugs, narcotics, chemicals, or any other type of material or as a result of any mental or physical condition, including deterioration through the aging process or loss of motor skills;

(15) for a pharmacist, pharmacy, pharmacist intern, pharmacy technician, medical gas distributor, or controlled substance researcher, revealing a privileged communication from or relating to a patient except when otherwise required or permitted by law;

(16) for a pharmacist or pharmacy, improper management of patient records, including failure to maintain adequate patient records, to comply with a patient's request made pursuant to sections 144.291 to 144.298, or to furnish a patient record or report required by law;

(17) paying, offering to pay, receiving, or agreeing to receive, a commission, rebate, kickback, or other form of remuneration, directly or indirectly, for the referral of patients or the dispensing of drugs or devices;

(18) engaging in abusive or fraudulent billing practices, including violations of the federal Medicare and Medicaid laws or state medical assistance laws or rules;

(19) engaging in conduct with a patient that is sexual or may reasonably be interpreted by the patient as sexual, or in any verbal behavior that is seductive or sexually demeaning to a patient;

(20) failure to make reports as required by section 151.072 or to cooperate with an investigation of the board as required by section 151.074;

(21) knowingly providing false or misleading information that is directly related to the care of a patient unless done for an accepted therapeutic purpose such as the dispensing and administration of a placebo;

(22) aiding suicide or aiding attempted suicide in violation of section 609.215 as established by any of the following:

(i) a copy of the record of criminal conviction or plea of guilty for a felony in violation of section 609.215, subdivision 1 or 2;

(ii) a copy of the record of a judgment of contempt of court for violating an injunction issued under section 609.215, subdivision 4;

(iii) a copy of the record of a judgment assessing damages under section 609.215, subdivision 5; or

(iv) a finding by the board that the person violated section 609.215, subdivision 1 or 2. The board shall investigate any complaint of a violation of section 609.215, subdivision 1 or 2;

(23) for a pharmacist, practice of pharmacy under a lapsed or nonrenewed license. For a pharmacist intern, pharmacy technician, or controlled substance researcher, performing duties permitted to such individuals by this chapter or the rules of the board under a lapsed or nonrenewed registration. For a facility required to be licensed under this chapter, operation of the facility under a lapsed or nonrenewed license or registration; and

(24) for a pharmacist, pharmacist intern, or pharmacy technician, termination or discharge from the health professional services program for reasons other than the satisfactory completion of the program.

Subd. 3. Automatic suspension. (a) A license or registration issued under this chapter to a pharmacist, pharmacist intern, pharmacy technician, or controlled substance researcher is automatically suspended if: (1) a guardian of a licensee or registrant is appointed by order of a court pursuant to sections 524.5-101 to 524.5-502, for reasons other than the minority of the licensee or registrant; or (2) the licensee or registrant is committed by order of a court pursuant to chapter 253B. The license or registration remains suspended until the licensee is restored to capacity by a court and, upon petition by the licensee or registrant, the suspension is terminated by the board after a hearing.

(b) For a pharmacist, pharmacist intern, or pharmacy technician, upon notice to the board of a judgment of, or a plea of guilty to, a felony reasonably related to the practice of pharmacy, the license or registration of the regulated person may be automatically suspended by the board. The license or registration will remain suspended until, upon petition by the regulated individual and after a hearing, the suspension is terminated by the board. The board may indefinitely suspend or revoke the license or registration of the regulated individual if, after a hearing before the board, the board finds that the felonious conduct would cause a serious risk of harm to the public.

(c) For a facility that is licensed or registered by the board, upon notice to the board that an owner of the facility is subject to a judgment of, or a plea of guilty to, a felony reasonably related to the operation of the facility, the license or registration of the facility may be automatically suspended by the board. The license or registration will remain suspended until, upon petition by the facility and after a hearing, the suspension is terminated by the board. The board may indefinitely suspend or revoke the license or registration of the facility if, after a hearing before the board, the board finds that the felonious conduct would cause a serious risk of harm to the public.

(d) For licenses and registrations that have been suspended or revoked pursuant to paragraphs (a) and (b), the regulated individual may have a license or registration reinstated, either with or without restrictions, by demonstrating clear and convincing evidence of rehabilitation, as provided in section 364.03. If the regulated individual has the conviction subsequently overturned by court decision, the board shall conduct a hearing to review the suspension within 30 days after the receipt of the court decision. The regulated individual is not required to prove rehabilitation if the subsequent court decision overturns previous court findings of public risk.

(e) For licenses and registrations that have been suspended or revoked pursuant to paragraph (c), the regulated facility may have a license or registration reinstated, either with or without restrictions, conditions, or limitations, by demonstrating clear and convincing evidence of rehabilitation of the convicted owner, as provided in section 364.03. If the convicted owner has the conviction subsequently overturned by court decision, the board shall conduct a hearing to review the suspension within 30 days after receipt of the court decision. The regulated facility is not required to prove rehabilitation of the convicted owner if the subsequent court decision overturns previous court findings of public risk.

(f) The board may, upon majority vote of a quorum of its appointed members, suspend the license or registration of a regulated individual without a hearing if the regulated individual fails to maintain a current name and address with the board, as described in paragraphs (h) and (i), while the regulated individual is: (1) under board investigation, and a notice of conference has been issued by the board; (2) party to a contested case with the board; (3) party to an agreement for corrective action with the board; or (4) under a board order for disciplinary action. The suspension shall remain in effect until lifted by the board to the board's receipt of a petition from the regulated individual, along with the current name and address of the regulated individual.

(g) The board may, upon majority vote of a quorum of its appointed members, suspend the license or registration of a regulated facility without a hearing if the regulated facility fails to maintain a current name and address of the owner of the facility with the board, as described in paragraphs (h) and (i), while the regulated facility is: (1) under board investigation, and a notice of conference has been issued by the board; (2) party to a contested case with the board; (3) party to an agreement for corrective action with the board; or (4) under a board order for disciplinary action. The suspension shall remain in effect until lifted by the board pursuant to the board's receipt of a petition from the regulated facility, along with the current name and address of the owner of the facility.

(h) An individual licensed or registered by the board shall maintain a current name and home address with the board and shall notify the board in writing within 30 days of any change in name or home address. An individual regulated by the board shall also maintain a current business address with the board as required by section 214.073. For an individual, if a name change only is requested, the regulated individual must request a revised license or registration. The board may require the individual to substantiate the name change by submitting official documentation from a court of law or agency authorized under law to receive and officially record a name change. In the case of an individual, if an address change only is requested, no request for a revised license or registration is required. If the current license or registration of an individual has been lost, stolen, or destroyed, the individual shall provide a written explanation to the board.

(i) A facility licensed or registered by the board shall maintain a current name and address with the board. A facility shall notify the board in writing within 30 days of any change in name. A facility licensed or registered by the board but located outside of the state must notify the board within 30 days of an address change. A facility licensed or registered by the board and located within the state must notify the board at least 60 days in advance of a change of address that will result from the move of the facility to a different location and must pass an inspection at the new location as required by the board. If the current license or registration of a facility has been lost, stolen, or destroyed, the facility shall provide a written explanation to the board.

Subd. 4. **Effective dates.** A suspension, revocation, condition, limitation, qualification, or restriction of a license or registration shall be in effect pending determination of an appeal.

Subd. 5. **Conditions on reissued license.** In its discretion, the board may restore and reissue a license or registration issued under this chapter, but as a condition thereof may impose any disciplinary or corrective measure that it might originally have imposed.

Subd. 6. **Temporary suspension of license for pharmacists.** In addition to any other remedy provided by law, the board may, without a hearing, temporarily suspend the license of a pharmacist if the board finds that the pharmacist has violated a statute or rule that the board is empowered to enforce and continued practice by the pharmacist would create a serious risk of harm to the public. The suspension shall take effect upon written notice to the pharmacist, specifying the statute or rule violated. The suspension shall remain in effect until the board issues a final order in the matter after a hearing. At the time it issues the suspension notice, the board shall schedule a disciplinary hearing to be held pursuant to the Administrative Procedure Act. The pharmacist shall be provided with at least 20 days' notice of any hearing held pursuant to this subdivision. The hearing shall be scheduled to begin no later than 30 days after the issuance of the suspension order.

Subd. 7. **Temporary suspension of license for pharmacist interns, pharmacy technicians, and controlled substance researchers.** In addition to any other remedy provided by law, the board may, without a hearing, temporarily suspend the registration of a pharmacist intern, pharmacy technician, or controlled substance researcher if the board finds that the registrant has violated a statute or rule that the board is empowered to enforce and continued registration of the registrant would create a serious risk of harm to the public. The suspension shall take effect upon written notice to the registrant, specifying the statute or rule violated. The suspension shall remain in effect until the board issues a final order in the matter after a hearing. At the time it issues the suspension notice, the board shall schedule a disciplinary hearing to be held pursuant to the Administrative Procedure Act. The licensee or registrant shall be provided with at least 20 days' notice of any hearing held pursuant to this subdivision. The hearing shall be scheduled to begin no later than 30 days after the issuance of the suspension order.

Subd. 8. **Temporary suspension of license for pharmacies, drug wholesalers, drug manufacturers, medical gas manufacturers, and medical gas distributors.** In addition to any other remedy provided by law, the board may, without a hearing, temporarily suspend the license or registration of a pharmacy, drug wholesaler, drug manufacturer, medical gas manufacturer, or medical gas distributor if the board finds that the licensee or registrant has violated a statute or rule that the board is empowered to enforce and continued operation of the licensed facility would create a serious risk of harm to the public. The suspension shall take effect upon written notice to the licensee or registrant, specifying the statute or rule violated. The suspension shall remain in effect until the board issues a final order in the matter after a hearing. At the time it issues the suspension notice, the board shall schedule a disciplinary hearing to be held pursuant to the Administrative Procedure Act. The licensee or registrant shall be provided with at least 20 days' notice of any hearing held pursuant to this subdivision. The hearing shall be scheduled to begin no later than 30 days after the issuance of the suspension order.

Subd. 9. **Evidence.** In disciplinary actions alleging a violation of subdivision 2, clause (4), (5), (6), or (7), a copy of the judgment or proceeding under the seal of the court administrator or of the administrative agency that entered the same shall be admissible into evidence without further authentication and shall constitute prima facie evidence of the contents thereof.

Subd. 10. **Mental examination; access to medical data.** If the board has probable cause to believe that an individual licensed or registered by the board falls under subdivision 2, clause (14), it may direct the individual to submit to a mental or physical examination. For the purpose of this subdivision, every licensed or registered individual is deemed to have consented to submit to a mental or physical examination when directed in writing by the board and further to have waived all objections to the admissibility of the examining practitioner's testimony or examination reports on the grounds that the same constitute a privileged communication. Failure of a licensed or

registered individual to submit to an examination when directed constitutes an admission of the allegations against the individual, unless the failure was due to circumstances beyond the individual's control, in which case a default and final order may be entered without the taking of testimony or presentation of evidence. Pharmacists affected under this paragraph shall at reasonable intervals be given an opportunity to demonstrate that they can resume the competent practice of the profession of pharmacy with reasonable skill and safety to the public. Pharmacist interns, pharmacy technicians, or controlled substance researchers affected under this paragraph shall at reasonable intervals be given an opportunity to demonstrate that they can competently resume the duties that can be performed, under this chapter or the rules of the board, by similarly registered persons with reasonable skill and safety to the public. In any proceeding under this paragraph, neither the record of proceedings nor the orders entered by the board shall be used against a licensed or registered individual in any other proceeding.

Subd. 11. Tax clearance certificate. (a) In addition to the provisions of subdivision 1, the board may not issue or renew a license or registration if the commissioner of revenue notifies the board and the licensee or applicant for a license that the licensee or applicant owes the state delinquent taxes in the amount of \$500 or more. The board may issue or renew the license or registration only if (1) the commissioner of revenue issues a tax clearance certificate, and (2) the commissioner of revenue or the licensee, registrant, or applicant forwards a copy of the clearance to the board. The commissioner of revenue may issue a clearance certificate only if the licensee, registrant, or applicant does not owe the state any uncontested delinquent taxes.

(b) For purposes of this subdivision, the following terms have the meanings given.

(1) "Taxes" are all taxes payable to the commissioner of revenue, including penalties and interest due on those taxes.

(2) "Delinquent taxes" do not include a tax liability if (i) an administrative or court action that contests the amount or validity of the liability has been filed or served, (ii) the appeal period to contest the tax liability has not expired, or (iii) the licensee or applicant has entered into a payment agreement to pay the liability and is current with the payments.

(c) In lieu of the notice and hearing requirements of subdivision 1, when a licensee, registrant, or applicant is required to obtain a clearance certificate under this subdivision, a contested case hearing must be held if the licensee or applicant requests a hearing in writing to the commissioner of revenue within 30 days of the date of the notice provided in paragraph (a). The hearing must be held within 45 days of the date the commissioner of revenue refers the case to the Office of Administrative Hearings. Notwithstanding any law to the contrary, the licensee or applicant must be served with 20 days' notice in writing specifying the time and place of the hearing and the allegations against the licensee or applicant. The notice may be served personally or by mail.

(d) A licensee or applicant must provide the licensee's or applicant's Social Security number and Minnesota business identification number on all license applications. Upon request of the commissioner of revenue, the board must provide to the commissioner of revenue a list of all licensees and applicants that includes the licensee's or applicant's name, address, Social Security number, and business identification number. The commissioner of revenue may request a list of the licensees and applicants no more than once each calendar year.

Subd. 12. Limitation. No board proceeding against a regulated person or facility shall be instituted unless commenced within seven years from the date of the commission of some portion of the offense or misconduct complained of except for alleged violations of subdivision 2, clause (21).

Sec. 4. **[151.072] REPORTING OBLIGATIONS.**

Subdivision 1. Permission to report. A person who has knowledge of any conduct constituting grounds for discipline under the provisions of this chapter or the rules of the board may report the violation to the board.

Subd. 2. **Pharmacies.** A pharmacy located in this state must report to the board any discipline that is related to an incident involving conduct that would constitute grounds for discipline under the provisions of this chapter or the rules of the board, that is taken by the pharmacy or any of its administrators against a pharmacist, pharmacist intern, or pharmacy technician, including the termination of employment of the individual or the revocation, suspension, restriction, limitation, or conditioning of an individual's ability to practice or work at or on behalf of the pharmacy. The pharmacy shall also report the resignation of any pharmacist, pharmacist intern, or technician prior to the conclusion of any disciplinary proceeding, or prior to the commencement of formal charges but after the individual had knowledge that formal charges were contemplated or in preparation. Each report made under this subdivision must state the nature of the action taken and state in detail the reasons for the action. Failure to report violations as required by this subdivision is a basis for discipline pursuant to section 151.071, subdivision 2, clause (8).

Subd. 3. **Licensees and registrants of the board.** A licensee or registrant of the board shall report to the board personal knowledge of any conduct that the person reasonably believes constitutes grounds for disciplinary action under this chapter or the rules of the board by any pharmacist, pharmacist intern, pharmacy technician, or controlled substance researcher, including any conduct indicating that the person may be professionally incompetent, or may have engaged in unprofessional conduct or may be medically or physically unable to engage safely in the practice of pharmacy or to carry out the duties permitted to the person by this chapter or the rules of the board. Failure to report violations as required by this subdivision is a basis for discipline pursuant to section 151.071, subdivision 2, clause (20).

Subd. 4. **Courts.** The court administrator of a district court or any other court of competent jurisdiction shall report to the board any judgment or other determination of the court that: adjudges or includes a finding that a licensee or registrant of the board is mentally ill, mentally incompetent, guilty of a felony, or guilty of a violation of federal or state narcotics laws or controlled substances act, guilty of an abuse or fraud under Medicare or Medicaid; appoints a guardian of the licensee or registrant pursuant to sections 524.5-101 to 524.5-502; or commits a licensee or registrant pursuant to chapter 253B.

Subd. 5. **Self-reporting.** A licensee or registrant of the board shall report to the board any personal action that would require that a report be filed with the board pursuant to subdivision 2 or 4.

Subd. 6. **Deadlines; forms.** Reports required by subdivisions 2 to 5 must be submitted not later than 30 days after the occurrence of the reportable event or transaction. The board may provide forms for the submission of reports required by this section, may require that reports be submitted on the forms provided, and may adopt rules necessary to assure prompt and accurate reporting.

Subd. 7. **Subpoenas.** The board may issue subpoenas for the production of any reports required by subdivisions 2 to 5 or any related documents.

Sec. 5. [151.073] IMMUNITY.

Any person, health care facility, business, or organization is immune from civil liability or criminal prosecution for submitting in good faith a report to the board under section 151.072 or for otherwise reporting in good faith to the board violations or alleged violations of this chapter or the rules of the board. All such reports are investigative data pursuant to chapter 13.

Sec. 6. [151.074] LICENSEE OR REGISTRANT COOPERATION.

An individual who is licensed or registered by the board, who is the subject of an investigation by or on behalf of the board, shall cooperate fully with the investigation. An owner or employee of a facility that is licensed or registered by the board, when the facility is the subject of an investigation by or on behalf of the board, shall cooperate fully with the investigation. Cooperation includes responding fully and promptly to any question raised

by, or on behalf of, the board relating to the subject of the investigation and providing copies of patient pharmacy records and other relevant records, as reasonably requested by the board, to assist the board in its investigation. The board shall maintain any records obtained pursuant to this section as investigative data pursuant to chapter 13.

Sec. 7. **[151.075] DISCIPLINARY RECORD ON JUDICIAL REVIEW.**

Upon judicial review of any board disciplinary action taken under this chapter, the reviewing court shall seal the administrative record, except for the board's final decision, and shall not make the administrative record available to the public.

Sec. 8. Minnesota Statutes 2012, section 151.211, is amended to read:

151.211 RECORDS OF PRESCRIPTIONS.

Subdivision 1. **Retention of prescription drug orders.** All ~~prescriptions dispensed~~ prescription drug orders shall be kept on file at the location ~~in~~ from which such dispensing occurred of the ordered drug occurs for a period of at least two years. Prescription drug orders that are electronically prescribed must be kept on file in the format in which they were originally received. Written or printed prescription drug orders and verbal prescription drug orders reduced to writing, must be kept on file as received or transcribed, except that such orders may be kept in an electronic format as allowed by the board. Electronic systems used to process and store prescription drug orders must be compliant with the requirements of this chapter and the rules of the board. Prescription drug orders that are stored in an electronic format, as permitted by this subdivision, may be kept on file at a remote location provided that they are readily and securely accessible from the location at which dispensing of the ordered drug occurred.

Subd. 2. **Refill requirements.** No A prescription shall drug order may be refilled except only with the written, electronic, or verbal consent of the prescriber and in accordance with the requirements of this chapter, the rules of the board, and where applicable, section 152.11. The date of such refill must be recorded and initialed upon the original prescription drug order, or within the electronically maintained record of the original prescription drug order, by the pharmacist, pharmacist intern, or practitioner who refills the prescription.

Sec. 9. **[151.251] COMPOUNDING.**

Subdivision 1. **Exemption from manufacturing licensure requirement.** Section 151.252 shall not apply to:

(1) a practitioner engaged in extemporaneous compounding, anticipatory compounding, or compounding not done pursuant to a prescription drug order when permitted by this chapter or the rules of the board; and

(2) a pharmacy in which a pharmacist is engaged in extemporaneous compounding, anticipatory compounding, or compounding not done pursuant to a prescription drug order when permitted by this chapter or the rules of the board.

Subd. 2. **Compounded drug.** A drug product may be compounded under this section if a pharmacist or practitioner:

(a) compounds the drug product using bulk drug substances, as defined in the federal regulations published in Code of Federal Regulations, title 21, section 207.3(a)(4):

(1) that:

(i) comply with the standards of an applicable United States Pharmacopoeia or National Formulary monograph, if a monograph exists, and the United States Pharmacopoeia chapter on pharmacy compounding;

(ii) if such a monograph does not exist, are drug substances that are components of drugs approved for use in this country by the United States Food and Drug Administration; or

(iii) if such a monograph does not exist and the drug substance is not a component of a drug approved for use in this country by the United States Food and Drug Administration, that appear on a list developed by the United States Food and Drug Administration through regulations issued by the secretary of the federal Department of Health and Human Services pursuant to section 503a of the Food, Drug and Cosmetic Act under paragraph (d);

(2) that are manufactured by an establishment that is registered under section 360 of the federal Food, Drug and Cosmetic Act, including a foreign establishment that is registered under section 360(i) of that act; and

(3) that are accompanied by valid certificates of analysis for each bulk drug substance;

(b) compounds the drug product using ingredients, other than bulk drug substances, that comply with the standards of an applicable United States Pharmacopoeia or National Formulary monograph, if a monograph exists, and the United States Pharmacopoeia chapters on pharmacy compounding;

(c) does not compound a drug product that appears on a list published by the secretary of the federal Department of Health and Human Services in the Federal Register of drug products that have been withdrawn or removed from the market because such drug products or components of such drug products have been found to be unsafe or not effective;

(d) does not compound any drug products that are essentially copies of a commercially available drug product; and

(e) does not compound any drug product that has been identified pursuant to United States Code, title 21, section 353a, as a drug product that presents demonstrable difficulties for compounding that reasonably demonstrate an adverse effect on the safety or effectiveness of that drug product.

The term "essentially a copy of a commercially available drug product" does not include a drug product in which there is a change, made for an identified individual patient, that produces for that patient a significant difference, as determined by the prescribing practitioner, between the compounded drug and the comparable commercially available drug product.

Subd. 3. **Exceptions.** This section shall not apply to:

(1) compounded positron emission tomography drugs as defined in section 151.01, subdivision 38; or

(2) radiopharmaceuticals.

Sec. 10. Minnesota Statutes 2013 Supplement, section 151.252, is amended by adding a subdivision to read:

Subd. 1a. **Outsourcing facility.** (a) No person shall act as an outsourcing facility without first obtaining a license from the board and paying any applicable manufacturer licensing fee specified in section 151.065.

(b) Application for an outsourcing facility license under this section shall be made in a manner specified by the board and may differ from the application required of other drug manufacturers.

(c) No license shall be issued or renewed for an outsourcing facility unless the applicant agrees to operate in a manner prescribed for outsourcing facilities by federal and state law and according to Minnesota Rules.

(d) No license shall be issued or renewed for an outsourcing facility unless the applicant supplies the board with proof of such registration by the United States Food and Drug Administration as required by United States Code, title 21, section 353b.

(e) No license shall be issued or renewed for an outsourcing facility 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. The board may establish, by rule, standards for the licensure of an outsourcing facility 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 outsourcing facility located within the state and for each outsourcing facility located outside of the state at which drugs that are shipped into the state are prepared.

(g) The board shall not issue an initial or renewed license for an outsourcing facility unless the facility passes an inspection conducted by an authorized representative of the board. In the case of an outsourcing 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.

Sec. 11. Minnesota Statutes 2012, section 151.26, is amended to read:

151.26 EXCEPTIONS.

Subdivision 1. **Generally.** Nothing in this chapter shall subject a person duly licensed in this state to practice medicine, dentistry, or veterinary medicine, to inspection by the State Board of Pharmacy, nor prevent the person from administering drugs, medicines, chemicals, or poisons in the person's practice, nor prevent a duly licensed practitioner from furnishing to a patient properly packaged and labeled drugs, medicines, chemicals, or poisons as may be considered appropriate in the treatment of such patient; unless the person is engaged in the dispensing, sale, or distribution of drugs and the board provides reasonable notice of an inspection.

Except for the provisions of section 151.37, nothing in this chapter applies to or interferes with the dispensing, in its original package and at no charge to the patient, of a legend drug, other than a controlled substance, that was packaged by a manufacturer and provided to the dispenser for distribution as a professional sample.

Nothing in this chapter shall prevent the sale of drugs, medicines, chemicals, or poisons at wholesale to licensed physicians, dentists and veterinarians for use in their practice, nor to hospitals for use therein.

Nothing in this chapter shall prevent the sale of drugs, chemicals, or poisons either at wholesale or retail for use for commercial purposes, or in the arts, nor interfere with the sale of insecticides, as defined in Minnesota Statutes 1974, section 24.069, and nothing in this chapter shall prevent the sale of common household preparations and other drugs, chemicals, and poisons sold exclusively for use for nonmedicinal purposes; provided that this exception does not apply to any compound, substance, or derivative that is not approved for human consumption by the United States Food and Drug Administration or specifically permitted for human consumption under Minnesota law that, when introduced into the body, induces an effect similar to that of a Schedule I or Schedule II controlled substance listed in section 152.02, subdivisions 2 and 3, or Minnesota Rules, parts 6800.4210 and 6800.4220, regardless of whether the substance is marketed for the purpose of human consumption.

Nothing in this chapter shall apply to or interfere with the vending or retailing of any nonprescription medicine or drug not otherwise prohibited by statute ~~which~~ that is prepackaged, fully prepared by the manufacturer or producer for use by the consumer, and labeled in accordance with the requirements of the state or federal Food and

Drug Act; nor to the manufacture, wholesaling, vending, or retailing of flavoring extracts, toilet articles, cosmetics, perfumes, spices, and other commonly used household articles of a chemical nature, for use for nonmedicinal purposes; provided that this exception does not apply to any compound, substance, or derivative that is not approved for human consumption by the United States Food and Drug Administration or specifically permitted for human consumption under Minnesota law that, when introduced into the body, induces an effect similar to that of a Schedule I or Schedule II controlled substance listed in section 152.02, subdivisions 2 and 3, or Minnesota Rules, parts 6800.4210 and 6800.4220, regardless of whether the substance is marketed for the purpose of human consumption. Nothing in this chapter shall prevent the sale of drugs or medicines by licensed pharmacists at a discount to persons over 65 years of age.

Sec. 12. Minnesota Statutes 2012, section 151.34, is amended to read:

151.34 PROHIBITED ACTS.

It shall be unlawful to:

- (1) manufacture, sell or deliver, hold or offer for sale any drug that is adulterated or misbranded;
- (2) adulterate or misbrand any drug;
- (3) receive in commerce any drug that is adulterated or misbranded, and to deliver or proffer delivery thereof for pay or otherwise;
- (4) refuse to permit entry or inspection, or to permit the taking of a sample, or to permit access to or copying of any record as authorized by this chapter;
- (5) remove or dispose of a detained or embargoed article in violation of this chapter;
- (6) alter, mutilate, destroy, obliterate, or remove the whole or any part of the labeling of, or to do any other act with respect to a drug, if such act is done while such drug is held for sale and results in such drug being adulterated or misbranded;
- (7) use for a person's own advantage or to reveal other than to the board or its authorized representative or to the courts when required in any judicial proceeding under this chapter any information acquired under authority of this chapter concerning any method or process ~~which~~ that is a trade secret and entitled to protection;
- (8) use on the labeling of any drug any representation or suggestion that an application with respect to such drug is effective under the federal act or that such drug complies with such provisions;
- (9) in the case of a manufacturer, packer, or distributor offering legend drugs for sale within this state, fail to maintain for transmittal or to transmit, to any practitioner licensed by applicable law to administer such drug who makes written request for information as to such drug, true and correct copies of all printed matter ~~which~~ that is required to be included in any package in which that drug is distributed or sold, or such other printed matter as is approved under the federal act. Nothing in this paragraph shall be construed to exempt any person from any labeling requirement imposed by or under provisions of this chapter;
- (10) conduct a pharmacy without a pharmacist in charge;
- (11) dispense a legend drug without first obtaining a valid prescription for that drug;
- (12) conduct a pharmacy without proper registration with the board;

(13) practice pharmacy without being licensed to do so by the board; ~~or~~

(14) sell at retail federally restricted medical gases without proper registration with the board except as provided in this chapter; ~~or~~

(15) sell any compound, substance, or derivative that is not approved for human consumption by the United States Food and Drug Administration or specifically permitted for human consumption under Minnesota law that, when introduced into the body, induces an effect similar to that of a Schedule I or Schedule II controlled substance listed in section 152.02, subdivisions 2 and 3, or Minnesota Rules, parts 6800.4210 and 6800.4220, regardless of whether the substance is marketed for the purpose of human consumption.

Sec. 13. Minnesota Statutes 2012, section 151.35, is amended to read:

151.35 DRUGS, ADULTERATION.

A drug shall be deemed to be adulterated:

(1) if it consists in whole or in part of any filthy, putrid or decomposed substance; or if it has been produced, prepared, packed, or held under unsanitary conditions whereby it may have been rendered injurious to health, or whereby it may have been contaminated with filth; or if the methods used in, or the facilities or controls used for, its manufacture, processing, packing, or holding do not conform to or are not operated or administered in conformity with current good manufacturing practice as required under the federal act to assure that such drug is safe and has the identity, strength, quality, and purity characteristics, which it purports or is represented to possess; or the facility in which it was produced was not registered by the United States Food and Drug Administration or licensed by the board; or, its container is composed, in whole or in part, of any poisonous or deleterious substance which may render the contents injurious to health; or it bears or contains, for purposes of coloring only, a color additive which is unsafe within the meaning of the federal act, or it is a color additive, the intended use of which in or on drugs is for the purposes of coloring only, and is unsafe within the meaning of the federal act;

(2) if it purports to be or is represented as a drug the name of which is recognized in the United States Pharmacopoeia or the National Formulary, and its strength differs from, or its quality or purity falls below, the standard set forth therein. Such determination as to strength, quality, or purity shall be made in accordance with the tests or methods of assay set forth in such compendium, or in the absence of or inadequacy of such tests or methods of assay, those prescribed under authority of the federal act. No drug defined in the United States Pharmacopoeia or the National Formulary shall be deemed to be adulterated under this paragraph because it differs from the standard of strength, quality, or purity therefor set forth in such compendium, if its difference in strength, quality, or purity from such standard is plainly stated on its label;

(3) if it is not subject to the provisions of paragraph (2) of this section and its strength differs from, or its purity or quality differs from that which it purports or is represented to possess;

(4) if any substance has been mixed or packed therewith so as to reduce its quality or strength, or substituted wholly or in part therefor.

Sec. 14. Minnesota Statutes 2012, section 151.361, subdivision 2, is amended to read:

Subd. 2. **After January 1, 1983.** (a) No legend drug in solid oral dosage form may be manufactured, packaged or distributed for sale in this state after January 1, 1983 unless it is clearly marked or imprinted with a symbol, number, company name, words, letters, national drug code or other mark uniquely identifiable to that drug product. An identifying mark or imprint made as required by federal law or by the federal Food and Drug Administration shall be deemed to be in compliance with this section.

(b) The Board of Pharmacy may grant exemptions from the requirements of this section on its own initiative or upon application of a manufacturer, packager, or distributor indicating size or other characteristics ~~which~~ that render the product impractical for the imprinting required by this section.

~~(c) The provisions of clauses (a) and (b) shall not apply to any of the following:~~

~~(1) Drugs purchased by a pharmacy, pharmacist, or licensed wholesaler prior to January 1, 1983, and held in stock for resale.~~

~~(2) Drugs which are manufactured by or upon the order of a practitioner licensed by law to prescribe or administer drugs and which are to be used solely by the patient for whom prescribed.~~

Sec. 15. Minnesota Statutes 2012, section 151.37, as amended by Laws 2013, chapter 43, section 30, Laws 2013, chapter 55, section 2, and Laws 2013, chapter 108, article 10, section 5, is amended to read:

151.37 LEGEND DRUGS, WHO MAY PRESCRIBE, POSSESS.

Subdivision 1. **Prohibition.** Except as otherwise provided in this chapter, it shall be unlawful for any person to have in possession, or to sell, give away, barter, exchange, or distribute a legend drug.

Subd. 2. **Prescribing and filing.** (a) A licensed practitioner in the course of professional practice only, may prescribe, administer, and dispense a legend drug, and may cause the same to be administered by a nurse, a physician assistant, or medical student or resident under the practitioner's direction and supervision, and may cause a person who is an appropriately certified, registered, or licensed health care professional to prescribe, dispense, and administer the same within the expressed legal scope of the person's practice as defined in Minnesota Statutes. A licensed practitioner may prescribe a legend drug, without reference to a specific patient, by directing a licensed dietitian or licensed nutritionist, pursuant to section 148.634; a nurse, pursuant to section 148.235, subdivisions 8 and 9; physician assistant; medical student or resident; or pharmacist according to section 151.01, subdivision 27, to adhere to a particular practice guideline or protocol when treating patients whose condition falls within such guideline or protocol, and when such guideline or protocol specifies the circumstances under which the legend drug is to be prescribed and administered. An individual who verbally, electronically, or otherwise transmits a written, oral, or electronic order, as an agent of a prescriber, shall not be deemed to have prescribed the legend drug. This paragraph applies to a physician assistant only if the physician assistant meets the requirements of section 147A.18.

(b) The commissioner of health, if a licensed practitioner, or a person designated by the commissioner who is a licensed practitioner, may prescribe a legend drug to an individual or by protocol for mass dispensing purposes where the commissioner finds that the conditions triggering section 144.4197 or 144.4198, subdivision 2, paragraph (b), exist. The commissioner, if a licensed practitioner, or a designated licensed practitioner, may prescribe, dispense, or administer a legend drug or other substance listed in subdivision 10 to control tuberculosis and other communicable diseases. The commissioner may modify state drug labeling requirements, and medical screening criteria and documentation, where time is critical and limited labeling and screening are most likely to ensure legend drugs reach the maximum number of persons in a timely fashion so as to reduce morbidity and mortality.

(c) A licensed practitioner that dispenses for profit a legend drug that is to be administered orally, is ordinarily dispensed by a pharmacist, and is not a vaccine, must file with the practitioner's licensing board a statement indicating that the practitioner dispenses legend drugs for profit, the general circumstances under which the practitioner dispenses for profit, and the types of legend drugs generally dispensed. It is unlawful to dispense legend drugs for profit after July 31, 1990, unless the statement has been filed with the appropriate licensing board. For purposes of this paragraph, "profit" means (1) any amount received by the practitioner in excess of the acquisition cost of a legend drug for legend drugs that are purchased in prepackaged form, or (2) any amount received by the practitioner in excess of the acquisition cost of a legend drug plus the cost of making the drug available if the legend

drug requires compounding, packaging, or other treatment. The statement filed under this paragraph is public data under section 13.03. This paragraph does not apply to a licensed doctor of veterinary medicine or a registered pharmacist. Any person other than a licensed practitioner with the authority to prescribe, dispense, and administer a legend drug under paragraph (a) shall not dispense for profit. To dispense for profit does not include dispensing by a community health clinic when the profit from dispensing is used to meet operating expenses.

(d) A prescription ~~or~~ drug order for the following drugs is not valid, unless it can be established that the prescription ~~or~~ drug order was based on a documented patient evaluation, including an examination, adequate to establish a diagnosis and identify underlying conditions and contraindications to treatment:

- (1) controlled substance drugs listed in section 152.02, subdivisions 3 to 5;
- (2) drugs defined by the Board of Pharmacy as controlled substances under section 152.02, subdivisions 7, 8, and 12;
- (3) muscle relaxants;
- (4) centrally acting analgesics with opioid activity;
- (5) drugs containing butalbital; or
- (6) phosphodiesterase type 5 inhibitors when used to treat erectile dysfunction.

(e) For the purposes of paragraph (d), the requirement for an examination shall be met if an in-person examination has been completed in any of the following circumstances:

- (1) the prescribing practitioner examines the patient at the time the prescription or drug order is issued;
- (2) the prescribing practitioner has performed a prior examination of the patient;
- (3) another prescribing practitioner practicing within the same group or clinic as the prescribing practitioner has examined the patient;
- (4) a consulting practitioner to whom the prescribing practitioner has referred the patient has examined the patient; or
- (5) the referring practitioner has performed an examination in the case of a consultant practitioner issuing a prescription or drug order when providing services by means of telemedicine.

(f) Nothing in paragraph (d) or (e) prohibits a licensed practitioner from prescribing a drug through the use of a guideline or protocol pursuant to paragraph (a).

(g) Nothing in this chapter prohibits a licensed practitioner from issuing a prescription or dispensing a legend drug in accordance with the Expedited Partner Therapy in the Management of Sexually Transmitted Diseases guidance document issued by the United States Centers for Disease Control.

(h) Nothing in paragraph (d) or (e) limits prescription, administration, or dispensing of legend drugs through a public health clinic or other distribution mechanism approved by the commissioner of health or a board of health in order to prevent, mitigate, or treat a pandemic illness, infectious disease outbreak, or intentional or accidental release of a biological, chemical, or radiological agent.

(i) No pharmacist employed by, under contract to, or working for a pharmacy licensed under section 151.19, subdivision 1, may dispense a legend drug based on a prescription that the pharmacist knows, or would reasonably be expected to know, is not valid under paragraph (d).

(j) No pharmacist employed by, under contract to, or working for a pharmacy licensed under section 151.19, subdivision 2, may dispense a legend drug to a resident of this state based on a prescription that the pharmacist knows, or would reasonably be expected to know, is not valid under paragraph (d).

(k) Nothing in this chapter prohibits the commissioner of health, if a licensed practitioner, or, if not a licensed practitioner, a designee of the commissioner who is a licensed practitioner, from prescribing legend drugs for field-delivered therapy in the treatment of a communicable disease according to the Centers For Disease Control and Prevention Partner Services Guidelines.

Subd. 2a. **Delegation.** A supervising physician may delegate to a physician assistant who is registered with the Board of Medical Practice and certified by the National Commission on Certification of Physician Assistants and who is under the supervising physician's supervision, the authority to prescribe, dispense, and administer legend drugs and medical devices, subject to the requirements in chapter 147A and other requirements established by the Board of Medical Practice in rules.

Subd. 3. **Veterinarians.** A licensed doctor of veterinary medicine, in the course of professional practice only and not for use by a human being, may personally prescribe, administer, and dispense a legend drug, and may cause the same to be administered or dispensed by an assistant under the doctor's direction and supervision.

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 or distributed 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. For the purposes of this subdivision only:

(1) a prescription drug order is not required for a pharmacy to dispense a research drug, unless the study protocol requires the pharmacy to receive such an order;

(2) notwithstanding the prescription labeling requirements found in this chapter or the rules promulgated by the board, a research drug may be labeled as required by the study protocol; ~~and~~

(3) dispensing and distribution of research drugs by pharmacies shall not be considered ~~compounding,~~ manufacturing, or wholesaling under this chapter; ~~and~~

(4) a pharmacy may compound drugs for research studies as provided in this subdivision but must follow applicable standards established by United States Pharmacopeia, chapter 795 or 797, for nonsterile and sterile compounding, respectively.

(c) An entity that is under contract to a federal agency for the purpose of distributing drugs for bona fide research studies is exempt from the drug wholesaler licensing requirements of this chapter. Any other entity is exempt from the drug wholesaler licensing requirements of this chapter if the board finds that the entity is licensed or registered according to the laws of the state in which it is physically located and it is distributing drugs 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.

Subd. 5. **Exclusion for course of practice.** Nothing in this chapter shall prohibit the sale to, or the possession of, a legend drug by licensed drug wholesalers, licensed manufacturers, registered pharmacies, local detoxification centers, licensed hospitals, bona fide hospitals wherein animals are treated, or licensed pharmacists and licensed practitioners while acting within the course of their practice only.

Subd. 6. **Exclusion for course of employment.** (a) Nothing in this chapter shall prohibit the possession of a legend drug by an employee, agent, or sales representative of a registered drug manufacturer, or an employee or agent of a registered drug wholesaler, or registered pharmacy, while acting in the course of employment.

(b) Nothing in this chapter shall prohibit the following entities from possessing a legend drug for the purpose of disposing of the legend drug as pharmaceutical waste:

(1) a law enforcement officer;

(2) a hazardous waste transporter licensed by the Department of Transportation;

(3) a facility permitted by the Pollution Control Agency to treat, store, or dispose of hazardous waste, including household hazardous waste;

(4) a facility licensed by the Pollution Control Agency or a metropolitan county as a very small quantity generator collection program or a minimal generator;

(5) a county that collects, stores, transports, or disposes of a legend drug pursuant to a program in compliance with applicable federal law or a person authorized by the county to conduct one or more of these activities; or

(6) a sanitary district organized under chapter 115, or a special law.

Subd. 7. **Exclusion for prescriptions.** (a) Nothing in this chapter shall prohibit the possession of a legend drug by a person for that person's use when it has been dispensed to the person in accordance with a valid prescription issued by a practitioner.

(b) Nothing in this chapter shall prohibit a person, for whom a legend drug has been dispensed in accordance with a written or oral prescription by a practitioner, from designating a family member, caregiver, or other individual to handle the legend drug for the purpose of assisting the person in obtaining or administering the drug or sending the drug for destruction.

(c) Nothing in this chapter shall prohibit a person for whom a prescription drug has been dispensed in accordance with a valid prescription issued by a practitioner from transferring the legend drug to a county that collects, stores, transports, or disposes of a legend drug pursuant to a program in compliance with applicable federal law or to a person authorized by the county to conduct one or more of these activities.

Subd. 8. **Misrepresentation.** It is unlawful for a person to procure, attempt to procure, possess, or control a legend drug by any of the following means:

(1) deceit, misrepresentation, or subterfuge;

(2) using a false name; or

(3) falsely assuming the title of, or falsely representing a person to be a manufacturer, wholesaler, pharmacist, practitioner, or other authorized person for the purpose of obtaining a legend drug.

Subd. 9. **Exclusion for course of laboratory employment.** Nothing in this chapter shall prohibit the possession of a legend drug by an employee or agent of a registered analytical laboratory while acting in the course of laboratory employment.

Subd. 10. **Purchase of drugs and other agents by commissioner of health.** The commissioner of health, in preparation for and in carrying out the duties of sections 144.05, 144.4197, and 144.4198, may purchase, store, and distribute antituberculosis drugs, biologics, vaccines, antitoxins, serums, immunizing agents, antibiotics, antivirals, antidotes, other pharmaceutical agents, and medical supplies to treat and prevent communicable disease.

Subd. 10a. **Emergency use authorizations.** Nothing in this chapter shall prohibit the purchase, possession, or use of a legend drug by an entity acting according to an emergency use authorization issued by the United States Food and Drug Administration pursuant to United States Code, title 21, section 360.bbb-3. The entity must be specifically tasked in a public health response plan to perform critical functions necessary to support the response to a public health incident or event.

Subd. 11. ~~**Complaint reporting**~~ **Exclusion for health care educational programs.** ~~The Board of Pharmacy shall report on a quarterly basis to the Board of Optometry any complaints received regarding the prescription or administration of legend drugs under section 148.576.~~ Nothing in this section shall prohibit an accredited public or private postsecondary school from possessing a legend drug that is not a controlled substance listed in section 152.02, provided that:

(a) the school is approved by the United States secretary of education in accordance with requirements of the Higher Education Act of 1965, as amended;

(b) the school provides a course of instruction that prepares individuals for employment in a health care occupation or profession;

(c) the school may only possess those drugs necessary for the instruction of such individuals; and

(d) the drugs may only be used in the course of providing such instruction and are labeled by the purchaser to indicate that they are not to be administered to patients.

Those areas of the school in which legend drugs are stored are subject to section 151.06, subdivision 1, paragraph (a), clause (4).

Sec. 16. Minnesota Statutes 2012, section 151.44, is amended to read:

151.44 DEFINITIONS.

As used in sections 151.43 to 151.51, the following terms have the meanings given in paragraphs (a) to (h):

(a) "Wholesale drug distribution" means distribution of prescription or nonprescription drugs to persons other than a consumer or patient or reverse distribution of such drugs, but does not include:

(1) a sale between a division, subsidiary, parent, affiliated, or related company under the common ownership and control of a corporate entity;

(2) the purchase or other acquisition, by a hospital or other health care entity that is a member of a group purchasing organization, of a drug for its own use from the organization or from other hospitals or health care entities that are members of such organizations;

(3) the sale, purchase, or trade of a drug or an offer to sell, purchase, or trade a drug by a charitable organization described in section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1988, to a nonprofit affiliate of the organization to the extent otherwise permitted by law;

(4) the sale, purchase, or trade of a drug or offer to sell, purchase, or trade a drug among hospitals or other health care entities that are under common control;

(5) the sale, purchase, or trade of a drug or offer to sell, purchase, or trade a drug for emergency medical reasons;

(6) the sale, purchase, or trade of a drug, an offer to sell, purchase, or trade a drug, or the dispensing of a drug pursuant to a prescription;

(7) the transfer of prescription or nonprescription drugs by a retail pharmacy to another retail pharmacy to alleviate a temporary shortage;

(8) the distribution of prescription or nonprescription drug samples by manufacturers representatives; or

(9) the sale, purchase, or trade of blood and blood components.

(b) "Wholesale drug distributor" means anyone engaged in wholesale drug distribution including, but not limited to, manufacturers; ~~repackers~~ repackagers; own-label distributors; jobbers; brokers; warehouses, including manufacturers' and distributors' warehouses, chain drug warehouses, and wholesale drug warehouses; independent wholesale drug traders; and pharmacies that conduct wholesale drug distribution. A wholesale drug distributor does not include a common carrier or individual hired primarily to transport prescription or nonprescription drugs.

(c) "Manufacturer" ~~means anyone who is engaged in the manufacturing, preparing, propagating, compounding, processing, packaging, repackaging, or labeling of a prescription drug~~ has the meaning provided in section 151.01, subdivision 14b.

(d) "Prescription drug" means a drug required by federal or state law or regulation to be dispensed only by a prescription, including finished dosage forms and active ingredients subject to United States Code, title 21, sections 811 and 812.

(e) "Blood" means whole blood collected from a single donor and processed either for transfusion or further manufacturing.

(f) "Blood components" means that part of blood separated by physical or mechanical means.

(g) "Reverse distribution" means the receipt of prescription or nonprescription drugs received from or shipped to Minnesota locations for the purpose of returning the drugs to their producers or distributors.

(h) "Reverse distributor" means a person engaged in the reverse distribution of drugs.

Sec. 17. Minnesota Statutes 2012, section 151.58, subdivision 2, is amended to read:

Subd. 2. **Definitions.** For purposes of this section only, the terms defined in this subdivision have the meanings given.

(a) "Automated drug distribution system" or "system" means a mechanical system approved by the board that performs operations or activities, other than compounding or administration, related to the storage, packaging, or dispensing of drugs, and collects, controls, and maintains all required transaction information and records.

(b) "Health care facility" means a nursing home licensed under section 144A.02; a housing with services establishment registered under section 144D.01, subdivision 4, in which a home provider licensed under chapter 144A is providing centralized storage of medications; or a ~~community behavioral health hospital or Minnesota sex offender program facility operated by the Department of Human Services.~~

(c) "Managing pharmacy" means a pharmacy licensed by the board that controls and is responsible for the operation of an automated drug distribution system.

Sec. 18. Minnesota Statutes 2012, section 151.58, subdivision 3, is amended to read:

Subd. 3. **Authorization.** A pharmacy may use an automated drug distribution system to fill prescription drug orders for patients of a health care facility provided that the policies and procedures required by this section have been approved by the board. The automated drug distribution system may be located in a health care facility that is not at the same location as the managing pharmacy. When located within a health care facility, the system is considered to be an extension of the managing pharmacy.

Sec. 19. Minnesota Statutes 2012, section 151.58, subdivision 5, is amended to read:

Subd. 5. **Operation of automated drug distribution systems.** (a) The managing pharmacy and the pharmacist in charge are responsible for the operation of an automated drug distribution system.

(b) Access to an automated drug distribution system must be limited to pharmacy and nonpharmacy personnel authorized to procure drugs from the system, except that field service technicians may access a system located in a health care facility for the purposes of servicing and maintaining it while being monitored either by the managing pharmacy, or a licensed nurse within the health care facility. In the case of an automated drug distribution system that is not physically located within a licensed pharmacy, access for the purpose of procuring drugs shall be limited to licensed nurses. Each person authorized to access the system must be assigned an individual specific access code. Alternatively, access to the system may be controlled through the use of biometric identification procedures. A policy specifying time access parameters, including time-outs, logoffs, and lockouts, must be in place.

(c) For the purposes of this section only, the requirements of section 151.215 are met if the following clauses are met:

(1) a pharmacist employed by and working at the managing pharmacy, or at a pharmacy that is acting as a central services pharmacy for the managing pharmacy, pursuant to Minnesota Rules, part 6800.4075, must review, interpret, and approve all prescription drug orders before any drug is distributed from the system to be administered to a patient. A pharmacy technician may perform data entry of prescription drug orders provided that a pharmacist certifies the accuracy of the data entry before the drug can be released from the automated drug distribution system. A pharmacist employed by and working at the managing pharmacy must certify the accuracy of the filling of any cassettes, canisters, or other containers that contain drugs that will be loaded into the automated drug distribution system; and

(2) when the automated drug dispensing system is located and used within the managing pharmacy, a pharmacist must personally supervise and take responsibility for all packaging and labeling associated with the use of an automated drug distribution system.

(d) Access to drugs when a pharmacist has not reviewed and approved the prescription drug order is permitted only when a formal and written decision to allow such access is issued by the pharmacy and the therapeutics committee or its equivalent. The committee must specify the patient care circumstances in which such access is allowed, the drugs that can be accessed, and the staff that are allowed to access the drugs.

(e) In the case of an automated drug distribution system that does not utilize bar coding in the loading process, the loading of a system located in a health care facility may be performed by a pharmacy technician, so long as the activity is continuously supervised, through a two-way audiovisual system by a pharmacist on duty within the managing pharmacy. In the case of an automated drug distribution system that utilizes bar coding in the loading process, the loading of a system located in a health care facility may be performed by a pharmacy technician or a licensed nurse, provided that the managing pharmacy retains an electronic record of loading activities.

(f) The automated drug distribution system must be under the supervision of a pharmacist. The pharmacist is not required to be physically present at the site of the automated drug distribution system if the system is continuously monitored electronically by the managing pharmacy. A pharmacist on duty within a pharmacy licensed by the board must be continuously available to address any problems detected by the monitoring or to answer questions from the staff of the health care facility. The licensed pharmacy may be the managing pharmacy or a pharmacy which is acting as a central services pharmacy, pursuant to Minnesota Rules, part 6800.4075, for the managing pharmacy.

Sec. 20. Minnesota Statutes 2013 Supplement, section 152.02, subdivision 2, is amended to read:

Subd. 2. **Schedule I.** (a) Schedule I consists of the substances listed in this subdivision.

(b) Opiates. Unless specifically excepted or unless listed in another schedule, any of the following substances, including their analogs, isomers, esters, ethers, salts, and salts of isomers, esters, and ethers, whenever the existence of the analogs, isomers, esters, ethers, and salts is possible:

- (1) acetylmethadol;
- (2) allylprodine;
- (3) alphacetylmethadol (except levo-alphacetylmethadol, also known as levomethadyl acetate);
- (4) alphameprodine;
- (5) alphasmethadol;
- (6) alpha-methylfentanyl benzethidine;
- (7) betacetylmethadol;
- (8) betameprodine;
- (9) betamethadol;
- (10) betaprodine;
- (11) clonitazene;
- (12) dextromoramide;
- (13) diampromide;
- (14) diethylambutene;
- (15) difenoxin;

- (16) dimenoxadol;
- (17) dimepheptanol;
- (18) dimethylambutene;
- (19) dioxaphetyl butyrate;
- (20) dipipanone;
- (21) ethylmethylthiambutene;
- (22) etonitazene;
- (23) etoxeridine;
- (24) furethidine;
- (25) hydroxypethidine;
- (26) ketobemidone;
- (27) levomoramide;
- (28) levophenacylmorphan;
- (29) 3-methylfentanyl;
- (30) acetyl-alpha-methylfentanyl;
- (31) alpha-methylthiofentanyl;
- (32) benzylfentanyl beta-hydroxyfentanyl;
- (33) beta-hydroxy-3-methylfentanyl;
- (34) 3-methylthiofentanyl;
- (35) thenylfentanyl;
- (36) thiofentanyl;
- (37) para-fluorofentanyl;
- (38) morpheridine;
- (39) 1-methyl-4-phenyl-4-propionoxypiperidine;
- (40) noracymethadol;
- (41) norlevorphanol;

- (42) normethadone;
- (43) norpipanone;
- (44) 1-(2-phenylethyl)-4-phenyl-4-acetoxypiperidine (PEPAP);
- (45) phenadoxone;
- (46) phenampromide;
- (47) phenomorphan;
- (48) phenoperidine;
- (49) piritramide;
- (50) proheptazine;
- (51) properidine;
- (52) propiram;
- (53) racemoramide;
- (54) tilidine;
- (55) trimeperidine-
- (56) N-(1-Phenethylpiperidin-4-yl)-N-phenylacetamide (acetyl fentanyl).

(c) Opium derivatives. Any of the following substances, their analogs, salts, isomers, and salts of isomers, unless specifically excepted or unless listed in another schedule, whenever the existence of the analogs, salts, isomers, and salts of isomers is possible:

- (1) acetorphine;
- (2) acetyldihydrocodeine;
- (3) benzylmorphine;
- (4) codeine methylbromide;
- (5) codeine-n-oxide;
- (6) cyprenorphine;
- (7) desomorphine;
- (8) dihydromorphine;
- (9) drotebanol;

- (10) etorphine;
- (11) heroin;
- (12) hydromorphenol;
- (13) methyldesorphine;
- (14) methyldihydromorphine;
- (15) morphine methylbromide;
- (16) morphine methylsulfonate;
- (17) morphine-n-oxide;
- (18) myrophine;
- (19) nicocodeine;
- (20) nicomorphine;
- (21) normorphine;
- (22) pholcodine;
- (23) thebacon.

(d) Hallucinogens. Any material, compound, mixture or preparation which contains any quantity of the following substances, their analogs, salts, isomers (whether optical, positional, or geometric), and salts of isomers, unless specifically excepted or unless listed in another schedule, whenever the existence of the analogs, salts, isomers, and salts of isomers is possible:

- (1) methylenedioxy amphetamine;
- (2) methylenedioxymethamphetamine;
- (3) methylenedioxy-N-ethylamphetamine (MDEA);
- (4) n-hydroxy-methylenedioxyamphetamine;
- (5) 4-bromo-2,5-dimethoxyamphetamine (DOB);
- (6) 2,5-dimethoxyamphetamine (2,5-DMA);
- (7) 4-methoxyamphetamine;
- (8) 5-methoxy-3, 4-methylenedioxy amphetamine;
- (9) alpha-ethyltryptamine;

- (10) bufotenine;
- (11) diethyltryptamine;
- (12) dimethyltryptamine;
- (13) 3,4,5-trimethoxy amphetamine;
- (14) 4-methyl-2, 5-dimethoxyamphetamine (DOM);
- (15) ibogaine;
- (16) lysergic acid diethylamide (LSD);
- (17) mescaline;
- (18) parahexyl;
- (19) N-ethyl-3-piperidyl benzilate;
- (20) N-methyl-3-piperidyl benzilate;
- (21) psilocybin;
- (22) psilocyn;
- (23) tenocyclidine (TPCP or TCP);
- (24) N-ethyl-1-phenyl-cyclohexylamine (PCE);
- (25) 1-(1-phenylcyclohexyl) pyrrolidine (PCPy);
- (26) 1-[1-(2-thienyl)cyclohexyl]-pyrrolidine (TCPy);
- (27) 4-chloro-2,5-dimethoxyamphetamine (DOC);
- (28) 4-ethyl-2,5-dimethoxyamphetamine (DOET);
- (29) 4-iodo-2,5-dimethoxyamphetamine (DOI);
- (30) 4-bromo-2,5-dimethoxyphenethylamine (2C-B);
- (31) 4-chloro-2,5-dimethoxyphenethylamine (2C-C);
- (32) 4-methyl-2,5-dimethoxyphenethylamine (2-CD);
- (33) 4-ethyl-2,5-dimethoxyphenethylamine (2C-E);
- (34) 4-iodo-2,5-dimethoxyphenethylamine (2C-I);
- (35) 4-propyl-2,5-dimethoxyphenethylamine (2C-P);

- (36) 4-isopropylthio-2,5-dimethoxyphenethylamine (2C-T-4);
- (37) 4-propylthio-2,5-dimethoxyphenethylamine (2C-T-7);
- (38) 2-(8-bromo-2,3,6,7-tetrahydrofuro [2,3-f][1]benzofuran-4-yl)ethanamine (2-CB-FLY);
- (39) bromo-benzodifuranyl-isopropylamine (Bromo-DragonFLY);
- (40) alpha-methyltryptamine (AMT);
- (41) N,N-diisopropyltryptamine (DiPT);
- (42) 4-acetoxy-N,N-dimethyltryptamine (4-AcO-DMT);
- (43) 4-acetoxy-N,N-diethyltryptamine (4-AcO-DET);
- (44) 4-hydroxy-N-methyl-N-propyltryptamine (4-HO-MPT);
- (45) 4-hydroxy-N,N-dipropyltryptamine (4-HO-DPT);
- (46) 4-hydroxy-N,N-diallyltryptamine (4-HO-DALT);
- (47) 4-hydroxy-N,N-diisopropyltryptamine (4-HO-DiPT);
- (48) 5-methoxy-N,N-diisopropyltryptamine (5-MeO-DiPT);
- (49) 5-methoxy- α -methyltryptamine (5-MeO-AMT);
- (50) 5-methoxy-N,N-dimethyltryptamine (5-MeO-DMT);
- (51) 5-methylthio-N,N-dimethyltryptamine (5-MeS-DMT);
- (52) 5-methoxy-N-methyl-N-propyltryptamine (5-MeO-MiPT);
- (53) 5-methoxy- α -ethyltryptamine (5-MeO-AET);
- (54) 5-methoxy-N,N-dipropyltryptamine (5-MeO-DPT);
- (55) 5-methoxy-N,N-diethyltryptamine (5-MeO-DET);
- (56) 5-methoxy-N,N-diallyltryptamine (5-MeO-DALT);
- (57) methoxetamine (MXE);
- (58) 5-iodo-2-aminoindane (5-IAI);
- (59) 5,6-methylenedioxy-2-aminoindane (MDAI);
- (60) 2-(4-iodo-2,5-dimethoxyphenyl)-N-[(2-methoxyphenyl)methyl]ethanamine (25I-NBOMe).

(e) Peyote. All parts of the plant presently classified botanically as *Lophophora williamsii* Lemaire, whether growing or not, the seeds thereof, any extract from any part of the plant, and every compound, manufacture, salts, derivative, mixture, or preparation of the plant, its seeds or extracts. The listing of peyote as a controlled substance in Schedule I does not apply to the nondrug use of peyote in bona fide religious ceremonies of the American Indian Church, and members of the American Indian Church are exempt from registration. Any person who manufactures peyote for or distributes peyote to the American Indian Church, however, is required to obtain federal registration annually and to comply with all other requirements of law.

(f) Central nervous system depressants. Unless specifically excepted or unless listed in another schedule, any material compound, mixture, or preparation which contains any quantity of the following substances, their analogs, salts, isomers, and salts of isomers whenever the existence of the analogs, salts, isomers, and salts of isomers is possible:

- (1) mecloqualone;
- (2) methaqualone;
- (3) gamma-hydroxybutyric acid (GHB), including its esters and ethers;
- (4) flunitrazepam.

(g) Stimulants. Unless specifically excepted or unless listed in another schedule, any material compound, mixture, or preparation which contains any quantity of the following substances, their analogs, salts, isomers, and salts of isomers whenever the existence of the analogs, salts, isomers, and salts of isomers is possible:

- (1) aminorex;
- (2) cathinone;
- (3) fenethylamine;
- (4) methcathinone;
- (5) methylaminorex;
- (6) N,N-dimethylamphetamine;
- (7) N-benzylpiperazine (BZP);
- (8) methylmethcathinone (mephedrone);
- (9) 3,4-methylenedioxy-N-methylcathinone (methylone);
- (10) methoxymethcathinone (methedrone);
- (11) methylenedioxypyrovalerone (MDPV);
- (12) fluoromethcathinone;
- (13) methylethcathinone (MEC);

- (14) 1-benzofuran-6-ylpropan-2-amine (6-APB);
- (15) dimethylmethcathinone (DMMC);
- (16) fluoroamphetamine;
- (17) fluoromethamphetamine;
- (18) α -methylaminobutyrophenone (MABP or buphedrone);
- (19) β -keto-N-methylbenzodioxolylpropylamine (bk-MBDB or butylone);
- (20) 2-(methylamino)-1-(4-methylphenyl)butan-1-one (4-MEMABP or BZ-6378);
- (21) naphthylpyrovalerone (naphyrone); ~~and~~
- (22) (RS)-1-phenyl-2-(1-pyrrolidinyl)-1-pentanone (alpha-PVP or alpha-pyrrolidinovalerophenone);
- (23) (RS)-1-(4-methylphenyl)-2-(1-pyrrolidinyl)-1-hexanone (4-Me-PHP or MPHP); and

~~(22)~~ (24) any other substance, except bupropion or compounds listed under a different schedule, that is structurally derived from 2-aminopropan-1-one by substitution at the 1-position with either phenyl, naphthyl, or thiophene ring systems, whether or not the compound is further modified in any of the following ways:

(i) by substitution in the ring system to any extent with alkyl, alkylenedioxy, alkoxy, haloalkyl, hydroxyl, or halide substituents, whether or not further substituted in the ring system by one or more other univalent substituents;

(ii) by substitution at the 3-position with an acyclic alkyl substituent;

(iii) by substitution at the 2-amino nitrogen atom with alkyl, dialkyl, benzyl, or methoxybenzyl groups; or

(iv) by inclusion of the 2-amino nitrogen atom in a cyclic structure.

(h) Marijuana, tetrahydrocannabinols, and synthetic cannabinoids. Unless specifically excepted or unless listed in another schedule, any natural or synthetic material, compound, mixture, or preparation that contains any quantity of the following substances, their analogs, isomers, esters, ethers, salts, and salts of isomers, esters, and ethers, whenever the existence of the isomers, esters, ethers, or salts is possible:

(1) marijuana;

(2) tetrahydrocannabinols naturally contained in a plant of the genus Cannabis, synthetic equivalents of the substances contained in the cannabis plant or in the resinous extractives of the plant, or synthetic substances with similar chemical structure and pharmacological activity to those substances contained in the plant or resinous extract, including, but not limited to, 1 cis or trans tetrahydrocannabinol, 6 cis or trans tetrahydrocannabinol, and 3,4 cis or trans tetrahydrocannabinol;

(3) synthetic cannabinoids, including the following substances:

(i) Naphthoylindoles, which are any compounds containing a 3-(1-naphthoyl)indole structure with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group, whether or not further substituted in the indole ring to any extent and whether or not substituted in the naphthyl ring to any extent. Examples of naphthoylindoles include, but are not limited to:

- (A) 1-Pentyl-3-(1-naphthoyl)indole (JWH-018 and AM-678);
- (B) 1-Butyl-3-(1-naphthoyl)indole (JWH-073);
- (C) 1-Pentyl-3-(4-methoxy-1-naphthoyl)indole (JWH-081);
- (D) 1-[2-(4-morpholinyl)ethyl]-3-(1-naphthoyl)indole (JWH-200);
- (E) 1-Propyl-2-methyl-3-(1-naphthoyl)indole (JWH-015);
- (F) 1-Hexyl-3-(1-naphthoyl)indole (JWH-019);
- (G) 1-Pentyl-3-(4-methyl-1-naphthoyl)indole (JWH-122);
- (H) 1-Pentyl-3-(4-ethyl-1-naphthoyl)indole (JWH-210);
- (I) 1-Pentyl-3-(4-chloro-1-naphthoyl)indole (JWH-398);
- (J) 1-(5-fluoropentyl)-3-(1-naphthoyl)indole (AM-2201).

(ii) Naphthylmethyloindoles, which are any compounds containing a 1H-indol-3-yl-(1-naphthyl)methane structure with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group, whether or not further substituted in the indole ring to any extent and whether or not substituted in the naphthyl ring to any extent. Examples of naphthylmethyloindoles include, but are not limited to:

- (A) 1-Pentyl-1H-indol-3-yl-(1-naphthyl)methane (JWH-175);
- (B) 1-Pentyl-1H-indol-3-yl-(4-methyl-1-naphthyl)methane (JWH-184).

(iii) Naphthoylpyrroles, which are any compounds containing a 3-(1-naphthoyl)pyrrole structure with substitution at the nitrogen atom of the pyrrole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group whether or not further substituted in the pyrrole ring to any extent, whether or not substituted in the naphthyl ring to any extent. Examples of naphthoylpyrroles include, but are not limited to, (5-(2-fluorophenyl)-1-pentylpyrrol-3-yl)-naphthalen-1-ylmethanone (JWH-307).

(iv) Naphthylmethyloindenes, which are any compounds containing a naphthylideneindene structure with substitution at the 3-position of the indene ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group whether or not further substituted in the indene ring to any extent, whether or not substituted in the naphthyl ring to any extent. Examples of naphthylmethyloindenes include, but are not limited to, E-1-[1-(1-naphthalenylmethylene)-1H-inden-3-yl]pentane (JWH-176).

(v) Phenylacetyloindoles, which are any compounds containing a 3-phenylacetyloindole structure with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group whether or not further substituted in the indole ring to any extent, whether or not substituted in the phenyl ring to any extent. Examples of phenylacetyloindoles include, but are not limited to:

- (A) 1-(2-cyclohexylethyl)-3-(2-methoxyphenylacetyl)indole (RCS-8);

(B) 1-pentyl-3-(2-methoxyphenylacetyl)indole (JWH-250);

(C) 1-pentyl-3-(2-methylphenylacetyl)indole (JWH-251);

(D) 1-pentyl-3-(2-chlorophenylacetyl)indole (JWH-203).

(vi) Cyclohexylphenols, which are compounds containing a 2-(3-hydroxycyclohexyl)phenol structure with substitution at the 5-position of the phenolic ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group whether or not substituted in the cyclohexyl ring to any extent. Examples of cyclohexylphenols include, but are not limited to:

(A) 5-(1,1-dimethylheptyl)-2-[(1R,3S)-3-hydroxycyclohexyl]-phenol (CP 47,497);

(B) 5-(1,1-dimethyloctyl)-2-[(1R,3S)-3-hydroxycyclohexyl]-phenol (Cannabicyclohexanol or CP 47,497 C8 homologue);

(C) 5-(1,1-dimethylheptyl)-2-[(1R,2R)-5-hydroxy-2-(3-hydroxypropyl)cyclohexyl]-phenol (CP 55,940).

(vii) Benzoylindoles, which are any compounds containing a 3-(benzoyl)indole structure with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group whether or not further substituted in the indole ring to any extent and whether or not substituted in the phenyl ring to any extent. Examples of benzoylindoles include, but are not limited to:

(A) 1-Pentyl-3-(4-methoxybenzoyl)indole (RCS-4);

(B) 1-(5-fluoropentyl)-3-(2-iodobenzoyl)indole (AM-694);

(C) (4-methoxyphenyl-[2-methyl-1-(2-(4-morpholinyl)ethyl)indol-3-yl]methanone (WIN 48,098 or Pravadoline).

(viii) Others specifically named:

(A) (6aR,10aR)-9-(hydroxymethyl)-6,6-dimethyl-3-(2-methyloctan-2-yl) -6a,7,10,10a-tetrahydrobenzo[c]chromen-1-ol (HU-210);

(B) (6aS,10aS)-9-(hydroxymethyl)-6,6-dimethyl-3-(2-methyloctan-2-yl) -6a,7,10,10a-tetrahydrobenzo[c]chromen-1-ol (Dexanabinol or HU-211);

(C) 2,3-dihydro-5-methyl-3-(4-morpholinylmethyl)pyrrolo[1,2,3-de] -1,4-benzoxazin-6-yl-1-naphthalenylmethanone (WIN 55,212-2);

(D) (1-pentylindol-3-yl)-(2,2,3,3-tetramethylcyclopropyl)methanone (UR-144);

(E) (1-(5-fluoropentyl)-1H-indol-3-yl)(2,2,3,3-tetramethylcyclopropyl)methanone (XLR-11);

(F) 1-pentyl-N-tricyclo[3.3.1.1^{3,7}]dec-1-yl-1H-indazole-3-carboxamide (AKB-48(APINACA));

(G) N-((3s,5s,7s)-adamantan-1-yl)-1-(5-fluoropentyl)-1H-indazole-3-carboxamide (5-Fluoro-AKB-48);

(H) 1-pentyl-8-quinolinyl ester-1H-indole-3-carboxylic acid (PB-22);

(I) 8-quinolinylyl ester-1-(5-fluoropentyl)-1H-indole-3-carboxylic acid (5-Fluoro PB-22);

(J) N-[(1S)-1-(aminocarbonyl)-2-methylpropyl]-1-pentyl-1H-indazole-3-carboxamide (AB-PINACA);

(K) N-[(1S)-1-(aminocarbonyl)-2-methylpropyl]-1-[(4-fluorophenyl)methyl]-1H-indazole-3-carboxamide (AB-FUBINACA).

(i) A controlled substance analog, to the extent that it is implicitly or explicitly intended for human consumption.

ARTICLE 6 HEALTH DEPARTMENT AND PUBLIC HEALTH

Section 1. Minnesota Statutes 2012, section 62J.497, subdivision 5, is amended to read:

Subd. 5. **Electronic drug prior authorization standardization and transmission.** (a) The commissioner of health, in consultation with the Minnesota e-Health Advisory Committee and the Minnesota Administrative Uniformity Committee, shall, by February 15, 2010, identify an outline on how best to standardize drug prior authorization request transactions between providers and group purchasers with the goal of maximizing administrative simplification and efficiency in preparation for electronic transmissions.

(b) By January 1, 2014, the Minnesota Administrative Uniformity Committee shall develop the standard companion guide by which providers and group purchasers will exchange standard drug authorization requests using electronic data interchange standards, if available, with the goal of alignment with standards that are or will potentially be used nationally.

(c) No later than January 1, ~~2015~~ 2017, drug prior authorization requests must be accessible and submitted by health care providers, and accepted by group purchasers, electronically through secure electronic transmissions. Facsimile shall not be considered electronic transmission.

Sec. 2. Minnesota Statutes 2012, section 62U.04, subdivision 4, is amended to read:

Subd. 4. **Encounter data.** (a) Beginning July 1, 2009, and every six months thereafter, all health plan companies and third-party administrators shall submit encounter data to a private entity designated by the commissioner of health. The data shall be submitted in a form and manner specified by the commissioner subject to the following requirements:

(1) the data must be de-identified data as described under the Code of Federal Regulations, title 45, section 164.514;

(2) the data for each encounter must include an identifier for the patient's health care home if the patient has selected a health care home; and

(3) except for the identifier described in clause (2), the data must not include information that is not included in a health care claim or equivalent encounter information transaction that is required under section 62J.536.

(b) The commissioner or the commissioner's designee shall only use the data submitted under paragraph (a) to carry out its responsibilities in this section, including supplying the data to providers so they can verify their results of the peer grouping process consistent with the recommendations developed pursuant to subdivision 3c, paragraph (d), and adopted by the commissioner and, if necessary, submit comments to the commissioner or initiate an appeal.

(c) Data on providers collected under this subdivision are private data on individuals or nonpublic data, as defined in section 13.02. Notwithstanding the definition of summary data in section 13.02, subdivision 19, summary data prepared under this subdivision may be derived from nonpublic data. The commissioner or the commissioner's designee shall establish procedures and safeguards to protect the integrity and confidentiality of any data that it maintains.

(d) The commissioner or the commissioner's designee shall not publish analyses or reports that identify, or could potentially identify, individual patients.

(e) The commissioner shall compile summary information on the data submitted under this subdivision. The commissioner shall work with its vendors to assess the data submitted in terms of compliance with the data submission requirements and the completeness of the data submitted by comparing the data with summary information compiled by the commissioner and with established and emerging data quality standards to ensure data quality.

Sec. 3. Minnesota Statutes 2012, section 62U.04, is amended by adding a subdivision to read:

Subd. 10. **Suspension.** Notwithstanding subdivisions 3, 3a, 3b, 3c, and 3d, the commissioner shall suspend the development and implementation of the provider peer grouping system required under this section. This suspension shall continue until the legislature authorizes the commissioner to resume this activity.

Sec. 4. Minnesota Statutes 2012, section 62U.04, is amended by adding a subdivision to read:

Subd. 11. **Restricted uses of the all-payer claims data.** (a) Notwithstanding subdivision 4, paragraph (b), and subdivision 5, paragraph (b), the commissioner or the commissioner's designee shall only use the data submitted under subdivisions 4 and 5 for the following purposes:

(1) to evaluate the performance of the health care home program as authorized under sections 256B.0751, subdivision 6, and 256B.0752, subdivision 2;

(2) to study, in collaboration with the reducing avoidable readmissions effectively (RARE) campaign, hospital readmission trends and rates;

(3) to analyze variations in health care costs, quality, utilization, and illness burden based on geographical areas or populations; and

(4) to evaluate the state innovation model (SIM) testing grant received by the Departments of Health and Human Services, including the analysis of health care cost, quality, and utilization baseline and trend information for targeted populations and communities.

(b) The commissioner may publish the results of the authorized uses identified in paragraph (a) so long as the data released publicly do not contain information or descriptions in which the identity of individual hospitals, clinics, or other providers may be discerned.

(c) Nothing in this subdivision shall be construed to prohibit the commissioner from using the data collected under subdivision 4 to complete the state-based risk adjustment system assessment due to the legislature on October 1, 2015.

(d) The commissioner or the commissioner's designee may use the data submitted under subdivisions 4 and 5 for the purpose described in paragraph (a), clause (3), until July 1, 2016.

Sec. 5. Minnesota Statutes 2012, section 62U.04, is amended by adding a subdivision to read:

Subd. 12. **All-payer claims database work group.** (a) The commissioner of health shall convene a work group to develop a framework for the expanded use of the all-payer claims database established under this section. The work group shall develop recommendations based on the following questions and other topics as identified by the work group:

(1) what should the parameters be for allowable uses of the all-payer claims data collected under Minnesota Statutes, section 62U.04, beyond the uses authorized in Minnesota Statutes, section 62U.04, subdivision 11;

(2) what type of advisory or governing body should guide the release of data from the all-payer claims database;

(3) what type of funding or fee structure would be needed to support the expanded use of all-payer claims data;

(4) what should the mechanisms be by which the data would be released or accessed, including the necessary information technology infrastructure to support the expanded use of the data under different assumptions related to the number of potential requests and manner of access;

(5) what are the appropriate privacy and security protections needed for the expanded use of the all-payer claims database; and

(6) what additional resources might be needed to support the expanded use of the all-payer claims database, including expected resources related to information technology infrastructure, review of proposals, maintenance of data use agreements, staffing an advisory body, or other new efforts.

(b) The commissioner of health shall appoint the members to the work group as follows:

(1) two members recommended by the Minnesota Medical Association;

(2) two members recommended by the Minnesota Hospital Association;

(3) two members recommended by the Minnesota Council of Health Plans;

(4) one member who is a data practices expert from the Department of Administration;

(5) three members who are academic researchers with expertise in claims database analysis;

(6) two members representing two state agencies determined by the commissioner;

(7) one member representing the Minnesota Health Care Safety Net Coalition; and

(8) three members representing consumers.

(c) The commissioner of health shall submit a report on the recommendations of the work group to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over health and human services, judiciary, and civil law by February 1, 2015. In considering the recommendations provided in the report, the legislature may consider whether the currently authorized uses of the all-payer claims data under this section should continue to be authorized.

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

Sec. 6. Minnesota Statutes 2013 Supplement, section 144.1225, subdivision 2, is amended to read:

Subd. 2. **Accreditation required.** (a)(1) Except as otherwise provided in ~~paragraph~~ paragraphs (b) and (c), advanced diagnostic imaging services eligible for reimbursement from any source, including, but not limited to, the individual receiving such services and any individual or group insurance contract, plan, or policy delivered in this state, including, but not limited to, private health insurance plans, workers' compensation insurance, motor vehicle insurance, the State Employee Group Insurance Program (SEGIP), and other state health care programs, shall be reimbursed only if the facility at which the service has been conducted and processed is licensed pursuant to sections 144.50 to 144.56 or accredited by one of the following entities:

- (i) American College of Radiology (ACR);
- (ii) Intersocietal Accreditation Commission (IAC);
- (iii) the Joint Commission; or
- (iv) other relevant accreditation organization designated by the Secretary of the United States Department of Health and Human Services pursuant to United States Code, title 42, section 1395M.

(2) All accreditation standards recognized under this section must include, but are not limited to:

- (i) provisions establishing qualifications of the physician;
- (ii) standards for quality control and routine performance monitoring by a medical physicist;
- (iii) qualifications of the technologist, including minimum standards of supervised clinical experience;
- (iv) guidelines for personnel and patient safety; and
- (v) standards for initial and ongoing quality control using clinical image review and quantitative testing.

(b) Any facility that performs advanced diagnostic imaging services and is eligible to receive reimbursement for such services from any source in paragraph (a), clause (1), must obtain licensure pursuant to sections 144.50 to 144.56 or accreditation pursuant to paragraph (a) by August 1, 2013. Thereafter, all facilities that provide advanced diagnostic imaging services in the state must obtain licensure or accreditation prior to commencing operations and must, at all times, maintain either licensure pursuant to sections 144.50 to 144.56 or accreditation with an accrediting organization as provided in paragraph (a).

(c) Dental clinics or offices that perform diagnostic imaging through dental cone beam computerized tomography do not need to meet the accreditation or reporting requirements in this section.

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

Sec. 7. Minnesota Statutes 2012, section 144.125, subdivision 3, is amended to read:

Subd. 3. **Information provided to parents and legal guardians.** (a) The department shall make information and forms available to childbirth education programs and health care providers who provide prenatal care describing the newborn screening program and the provisions of this section to be used in a discussion with expectant parents and parents of newborns. The department shall make information and forms about newborn screening available to the persons with a duty to perform testing under this section and to expectant parents and parents of newborns using electronic and other means.

(b) Prior to collecting a sample, persons with a duty to perform testing under subdivision 1 must:

(1) provide parents or legal guardians of infants with a document that provides the following information:

- (i) the benefits of newborn screening;
- (ii) that the blood sample will be used to test for heritable and congenital disorders, as determined under subdivision 2;

(iii) the data that will be collected as part of the testing;

(iv) ~~the standard retention periods for blood samples and test results as provided in subdivision 6~~ the benefits associated with the department's storage of an infant's blood sample and test results;

~~(v) that the Department of Health may store the blood samples and test results unless the parent or legal guardian elects to not have them stored;~~

~~(v) (vi) that blood samples and test results will be used for program operations during the standard retention period in accordance with subdivision 5, unless the parents or legal guardians elect not to have the blood samples and test results stored;~~

~~(vi) (vii) the Department of Health's Web site address where more information and forms may be obtained; and~~

~~(vii) (viii) that parents or legal guardians have a right to elect not to have newborn screening performed and a right to secure private testing;~~

~~(ix) that parents or legal guardians have a right to elect to have the newborn screening performed, but not have the blood samples and test results stored; and~~

~~(x) that parents or legal guardians have a right to authorize in writing that the blood samples and test results may be used for public health studies or research; and~~

(2) upon request, provide parents or legal guardians of infants with forms necessary to request that the infant not have blood collected for testing or to request to have the newborn screening performed, but not have the blood samples and test results stored; and

(3) record in the infant's medical record that a parent or legal guardian of the infant has received the information provided pursuant to this subdivision and has had an opportunity to ask questions.

(c) Nothing in this section prohibits a parent or legal guardian of an infant from having newborn screening performed by a private entity.

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

Sec. 8. Minnesota Statutes 2012, section 144.125, subdivision 4, is amended to read:

Subd. 4. **Parental options.** (a) The parent or legal guardian of an infant otherwise subject to testing under this section may elect not to have newborn screening performed, or may elect to have newborn screening tests performed, but not to have the blood samples and test results stored.

(b) If a parent or legal guardian elects not to have newborn screening performed or elects not to allow the blood samples and test results to be stored, then the election ~~shall~~ must be recorded on a form that is signed by the parent or legal guardian. The signed form ~~shall~~ must be made part of the infant's medical record and a copy shall be provided to the Department of Health. When a parent or legal guardian elects not to have newborn screening performed, the person with the duty to perform testing under subdivision 1 must follow that election. A written election to decline testing exempts persons with a duty to perform testing and the Department of Health from the requirements of this section and section 144.128.

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

Sec. 9. Minnesota Statutes 2012, section 144.125, subdivision 5, is amended to read:

Subd. 5. **Newborn screening program operations.** (a) "Newborn screening program operations" means actions, testing, and procedures directly related to the operation of the newborn screening program, limited to the following:

- (1) confirmatory testing;
- (2) laboratory quality control assurance and improvement;
- (3) calibration of equipment;
- (4) evaluating and improving the accuracy of newborn screening tests for conditions approved for screening in Minnesota;
- (5) validation of equipment and screening methods; ~~and~~
- (6) continuity of operations to ensure testing can continue as required by Minnesota law in the event of an emergency; and
- (7) utilization of blood samples and test results for studies related to newborn screening, including studies used to develop new tests.

(b) ~~No research, or public health studies, or development of new newborn screening tests shall be conducted under this subdivision other than those described in paragraph (a) shall be conducted without written consent as described under subdivision 7.~~

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

Sec. 10. Minnesota Statutes 2013 Supplement, section 144.125, subdivision 7, is amended to read:

Subd. 7. **Parental options for ~~extended storage and use~~ additional research.** (a) The parent or legal guardian of an infant ~~otherwise~~ subject to testing under this section may authorize in writing that the infant's blood sample and test results be retained and used by the Department of Health ~~beyond the standard retention periods provided in subdivision 6~~ for the purposes described in subdivision 9.

(b) The Department of Health must provide a consent form, with an attached Tennessee warning pursuant to section 13.04, subdivision 2. The consent form must provide the following:

- ~~(1) information as to the personal identification and use of samples and test results for studies, including studies used to develop new tests;~~
- ~~(2)~~ (1) information as to the personal identification and use of samples and test results for public health studies or research not related to newborn screening;
- ~~(3) information that explains that the Department of Health will not store a blood sample or test result for longer than 18 years from an infant's birth date;~~
- ~~(4)~~ (2) information that explains that, upon approval by the Department of Health's Institutional Review Board, blood samples and test results may be shared with external parties for public health studies or research; and

~~(5) (3) information that explains that blood samples contain various components, including deoxyribonucleic acid (DNA); and~~

~~(6) the benefits and risks associated with the department's storage of a child's blood sample and test results.~~

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

Sec. 11. Minnesota Statutes 2012, section 144.125, subdivision 8, is amended to read:

Subd. 8. **Extended Storage and use of samples and test results.** ~~When authorized in writing by a parent or legal guardian under subdivision 7, (a) The Department of Health may store blood samples and test results for a time period not to exceed 18 years from the infant's birth date, and may use the blood samples and test results in accordance with subdivision 9 5, unless a parent or legal guardian elects against the storage of the blood samples and test results, and in accordance with subdivision 9, if written informed consent of a parent or legal guardian is obtained.~~

(b) If a parent, legal guardian, or individual elects against storage or revokes prior consent for storage, the blood samples must be destroyed within one week of receipt of the request, and test results must be destroyed at the earliest time allowed under Clinical Laboratory Improvement Amendments (CLIA) regulations.

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

Sec. 12. Minnesota Statutes 2012, section 144.125, subdivision 9, is amended to read:

Subd. 9. **Written, informed consent for other use of samples and test results.** With the written, informed consent of a parent or legal guardian, the Department of Health may:

~~(1) use blood samples and test results for studies related to newborn screening, including studies used to develop new tests; and~~

~~(2) use blood samples and test results for public health studies or research not related to newborn screening, and upon approval by the Department of Health's Institutional Review Board, share samples and test results with external parties for public health studies or research.~~

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

Sec. 13. Minnesota Statutes 2012, section 144.125, subdivision 10, is amended to read:

Subd. 10. **Revoking consent for storage and use.** A parent or legal guardian, or the individual whose blood was tested as an infant if the individual is 18 years of age or older, may revoke approval for ~~extended~~ storage or use of blood samples or test results at any time by providing a signed and dated form requesting destruction of the blood samples or test results. The Department of Health shall make necessary forms available on the department's Web site. Blood samples must be destroyed within one week of receipt of a request ~~or within one week of the standard retention period for blood samples provided in subdivision 6, whichever is later,~~ and test results must be destroyed ~~within one month of receipt of a request or within one month of the standard retention period for test results provided in subdivision 6, whichever is later~~ at the earliest time allowed under Clinical Laboratory Improvement Amendments (CLIA) regulations.

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

Sec. 14. Minnesota Statutes 2012, section 144.1501, subdivision 1, is amended to read:

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

(b) "Dentist" means an individual who is licensed to practice dentistry.

(c) "Designated rural area" means ~~an area defined as a small rural area or isolated rural area according to the four category classifications of the Rural Urban Commuting Area system developed for the United States Health Resources and Services Administration~~ a city or township that is:

(1) outside the seven-county metropolitan area, as defined in section 473.121, subdivision 2; and

(2) has a population under 15,000.

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

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

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

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

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

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

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

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

(l) "Physician assistant" means a person licensed under chapter 147A.

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

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

Sec. 15. Minnesota Statutes 2012, section 144.4165, is amended to read:

144.4165 TOBACCO PRODUCTS PROHIBITED IN PUBLIC SCHOOLS.

No person shall at any time smoke, chew, or otherwise ingest tobacco or a tobacco product, or inhale or exhale vapor from an electronic delivery device, in a public school, as defined in section 120A.05, subdivisions 9, 11, and 13. This prohibition extends to all facilities, whether owned, rented, or leased, and all vehicles that a school district

owns, leases, rents, contracts for, or controls. Nothing in this section shall prohibit the lighting of tobacco by an adult as a part of a traditional Indian spiritual or cultural ceremony. For purposes of this section, an Indian is a person who is a member of an Indian tribe as defined in section 260.755 subdivision 12.

Sec. 16. Minnesota Statutes 2013 Supplement, section 144.493, subdivision 1, is amended to read:

Subdivision 1. **Comprehensive stroke center.** A hospital meets the criteria for a comprehensive stroke center if the hospital has been certified as a comprehensive stroke center by the joint commission or another nationally recognized accreditation entity and the hospital participates in the Minnesota stroke registry program.

Sec. 17. Minnesota Statutes 2013 Supplement, section 144.493, subdivision 2, is amended to read:

Subd. 2. **Primary stroke center.** A hospital meets the criteria for a primary stroke center if the hospital has been certified as a primary stroke center by the joint commission or another nationally recognized accreditation entity and the hospital participates in the Minnesota stroke registry program.

Sec. 18. Minnesota Statutes 2012, section 144.565, subdivision 4, is amended to read:

Subd. 4. **Definitions.** For purposes of this section, the following terms have the meanings given:

(a) "Diagnostic imaging facility" means a health care facility that is not a hospital or location licensed as a hospital which offers diagnostic imaging services in Minnesota, regardless of whether the equipment used to provide the service is owned or leased. For the purposes of this section, diagnostic imaging facility includes, but is not limited to, facilities such as a physician's office, clinic, mobile transport vehicle, outpatient imaging center, or surgical center. A dental clinic or office is not considered a diagnostic imaging facility for the purpose of this section when the clinic or office performs diagnostic imaging through dental cone beam computerized tomography.

(b) "Diagnostic imaging service" means the use of ionizing radiation or other imaging technique on a human patient including, but not limited to, magnetic resonance imaging (MRI) or computerized tomography (CT) other than dental cone beam computerized tomography, positron emission tomography (PET), or single photon emission computerized tomography (SPECT) scans using fixed, portable, or mobile equipment.

(c) "Financial or economic interest" means a direct or indirect:

(1) equity or debt security issued by an entity, including, but not limited to, shares of stock in a corporation, membership in a limited liability company, beneficial interest in a trust, units or other interests in a partnership, bonds, debentures, notes or other equity interests or debt instruments, or any contractual arrangements;

(2) membership, proprietary interest, or co-ownership with an individual, group, or organization to which patients, clients, or customers are referred to; or

(3) employer-employee or independent contractor relationship, including, but not limited to, those that may occur in a limited partnership, profit-sharing arrangement, or other similar arrangement with any facility to which patients are referred, including any compensation between a facility and a health care provider, the group practice of which the provider is a member or employee or a related party with respect to any of them.

(d) "Fixed equipment" means a stationary diagnostic imaging machine installed in a permanent location.

(e) "Mobile equipment" means a diagnostic imaging machine in a self-contained transport vehicle designed to be brought to a temporary offsite location to perform diagnostic imaging services.

(f) "Portable equipment" means a diagnostic imaging machine designed to be temporarily transported within a permanent location to perform diagnostic imaging services.

(g) "Provider of diagnostic imaging services" means a diagnostic imaging facility or an entity that offers and bills for diagnostic imaging services at a facility owned or leased by the entity.

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

Sec. 19. **[144.6586] NOTICE OF RIGHTS TO SEXUAL ASSAULT VICTIM.**

Subdivision 1. Notice required. A hospital shall give a written notice about victim rights and available resources to a person seeking medical services in the hospital who reports to hospital staff or who evidences a sexual assault or other unwanted sexual contact or sexual penetration. The hospital shall make a good faith effort to provide this notice prior to medical treatment or the examination performed for the purpose of gathering evidence, subject to applicable federal and state laws and regulations regarding the provision of medical care, and in a manner that does not interfere with any medical screening examination or initiation of treatment necessary to stabilize a victim's emergency medical condition.

Subd. 2. Contents of notice. The commissioners of health and public safety, in consultation with sexual assault victim advocates and health care professionals, shall develop the notice required by subdivision 1. The notice must inform the victim, at a minimum, of:

(1) the obligation under section 609.35 of the county where the criminal sexual conduct occurred to pay for the examination performed for the purpose of gathering evidence, that payment is not contingent on the victim reporting the criminal sexual conduct to law enforcement, and that the victim may incur expenses for treatment of injuries; and

(2) the victim's rights if the crime is reported to law enforcement, including the victim's right to apply for reparations under sections 611A.51 to 611A.68, information on how to apply for reparations, and information on how to obtain an order for protection or a harassment restraining order.

Sec. 20. Minnesota Statutes 2013 Supplement, section 144A.474, subdivision 12, is amended to read:

Subd. 12. **Reconsideration.** (a) The commissioner shall make available to home care providers a correction order reconsideration process. This process may be used to challenge the correction order issued, including the level and scope described in subdivision 11, and any fine assessed. During the correction order reconsideration request, the issuance for the correction orders under reconsideration are not stayed, but the department shall post information on the Web site with the correction order that the licensee has requested a reconsideration and that the review is pending.

(b) A licensed home care provider may request from the commissioner, in writing, a correction order reconsideration regarding any correction order issued to the provider. The written request for reconsideration must be received by the commissioner within 15 calendar days of the correction order issuance date. The correction order reconsideration shall not be reviewed by any surveyor, investigator, or supervisor that participated in the writing or reviewing of the correction order being disputed. The correction order reconsiderations may be conducted in person, by telephone, by another electronic form, or in writing, as determined by the commissioner. The commissioner shall respond in writing to the request from a home care provider for a correction order reconsideration within 60 days of the date the provider requests a reconsideration. The commissioner's response shall identify the commissioner's decision regarding each citation challenged by the home care provider.

(c) The findings of a correction order reconsideration process shall be one or more of the following:

- (1) supported in full, the correction order is supported in full, with no deletion of findings to the citation;
 - (2) supported in substance, the correction order is supported, but one or more findings are deleted or modified without any change in the citation;
 - (3) correction order cited an incorrect home care licensing requirement, the correction order is amended by changing the correction order to the appropriate statutory reference;
 - (4) correction order was issued under an incorrect citation, the correction order is amended to be issued under the more appropriate correction order citation;
 - (5) the correction order is rescinded;
 - (6) fine is amended, it is determined that the fine assigned to the correction order was applied incorrectly; or
 - (7) the level or scope of the citation is modified based on the reconsideration.
- (d) If the correction order findings are changed by the commissioner, the commissioner shall update the correction order Web site.

(e) This subdivision does not apply to temporary licensees.

EFFECTIVE DATE. This section is effective August 1, 2014, and for current licensees as of December 31, 2013, on or after July 1, 2014, upon license renewal.

Sec. 21. Minnesota Statutes 2013 Supplement, section 144A.475, subdivision 3, is amended to read:

Subd. 3. **Notice.** Prior to any suspension, revocation, or refusal to renew a license, the home care provider shall be entitled to notice and a hearing as provided by sections 14.57 to 14.69. In addition to any other remedy provided by law, the commissioner may, without a prior contested case hearing, temporarily suspend a license or prohibit delivery of services by a provider for not more than 90 days if the commissioner determines that ~~the health or safety of a consumer is in imminent danger,~~ there are level 3 or 4 violations as defined in section 144A.474, subdivision 11, paragraph (b), provided:

- (1) advance notice is given to the home care provider;
- (2) after notice, the home care provider fails to correct the problem;
- (3) the commissioner has reason to believe that other administrative remedies are not likely to be effective; and
- (4) there is an opportunity for a contested case hearing within the ~~90~~ 30 days unless there is an extension granted by an administrative law judge pursuant to subdivision 3b.

EFFECTIVE DATE. The amendments to this section are effective August 1, 2014, and for current licensees as of December 31, 2013, on or after July 1, 2014, upon license renewal.

Sec. 22. Minnesota Statutes 2013 Supplement, section 144A.475, is amended by adding a subdivision to read:

Subd. 3a. **Hearing.** Within 15 business days of receipt of the licensee's timely appeal of a sanction under this section, other than for a temporary suspension, the commissioner shall request assignment of an administrative law judge. The commissioner's request must include a proposed date, time, and place of hearing. A hearing must be

conducted by an administrative law judge pursuant to Minnesota Rules, parts 1400.8505 to 1400.8612, within 90 calendar days of the request for assignment, unless an extension is requested by either party and granted by the administrative law judge for good cause or for purposes of discussing settlement. In no case shall one or more extensions be granted for a total of more than 90 calendar days unless there is a criminal action pending against the licensee. If, while a licensee continues to operate pending an appeal of an order for revocation, suspension, or refusal to renew a license, the commissioner identifies one or more new violations of law that meet the requirements of level 3 or 4 violations as defined in section 144A.474, subdivision 11, paragraph (b), the commissioner shall act immediately to temporarily suspend the license under the provisions in subdivision 3.

EFFECTIVE DATE. This section is effective for appeals received on or after August 1, 2014.

Sec. 23. Minnesota Statutes 2013 Supplement, section 144A.475, is amended by adding a subdivision to read:

Subd. 3b. **Temporary suspension expedited hearing.** (a) Within five business days of receipt of the license holder's timely appeal of a temporary suspension, 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 business days before the hearing. Certified mail to the last known address is sufficient. The scope of the hearing shall be limited solely to the issue of whether the temporary suspension should remain in effect and whether there is sufficient evidence to conclude that the licensee's actions or failure to comply with applicable laws are level 3 or 4 violations as defined in section 144A.474, subdivision 11, paragraph (b).

(b) The administrative law judge shall issue findings of fact, conclusions, and a recommendation within ten business 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 business 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. The license holder is prohibited from operation during the 90-day temporary suspension period.

(c) When the final order under paragraph (b) affirms an immediate suspension, and a final licensing sanction is issued under subdivisions 1 and 2 and the licensee appeals that sanction, the licensee is prohibited from operation pending a final commissioner's order after the contested case hearing conducted under chapter 14.

EFFECTIVE DATE. This section is effective August 1, 2014.

Sec. 24. Minnesota Statutes 2012, section 144D.065, is amended to read:

144D.065 TRAINING IN DEMENTIA CARE REQUIRED.

(a) If a housing with services establishment registered under this chapter has a special program or special care unit for residents with Alzheimer's disease or other dementias or advertises, markets, or otherwise promotes the establishment as providing services for persons with Alzheimer's disease or ~~related disorders~~ other dementias, whether in a segregated or general unit, ~~the establishment's direct care staff and their supervisors must be trained in dementia care.~~ employees of the establishment and of the establishment's arranged home care provider must meet the following training requirements:

(1) supervisors of direct-care staff must have at least eight hours of initial training on topics specified under paragraph (b) within 120 working hours of the employment start date, and must have at least two hours of training on topics related to dementia care for each 12 months of employment thereafter;

(2) direct-care employees must have completed at least eight hours of initial training on topics specified under paragraph (b) within 160 working hours of the employment start date. Until this initial training is complete, an employee must not provide direct care unless there is another employee on site who has completed the initial eight hours of training on topics related to dementia care and who can act as a resource and assist if issues arise. A trainer of the requirements under paragraph (b), or a supervisor meeting the requirements in paragraph (a), clause (1), must be available for consultation with the new employee until the training requirement is complete. Direct-care employees must have at least two hours of training on topics related to dementia for each 12 months of employment thereafter;

(3) staff who do not provide direct care, including maintenance, housekeeping, and food service staff, must have at least four hours of initial training on topics specified under paragraph (b) within 160 working hours of the employment start date, and must have at least two hours of training on topics related to dementia care for each 12 months of employment thereafter; and

(4) new employees may satisfy the initial training requirements by producing written proof of previously completed required training within the past 18 months.

(b) Areas of required training include:

- (1) an explanation of Alzheimer's disease and related disorders;
- (2) assistance with activities of daily living;
- (3) problem solving with challenging behaviors; and
- (4) communication skills.

(c) The establishment shall provide to consumers in written or electronic form a description of the training program, the categories of employees trained, the frequency of training, and the basic topics covered. This information satisfies the disclosure requirements of section 325F.72, subdivision 2, clause (4).

(d) Housing with services establishments not included in paragraph (a) that provide assisted living services under chapter 144G must meet the following training requirements:

(1) supervisors of direct-care staff must have at least four hours of initial training on topics specified under paragraph (b) within 120 working hours of the employment start date, and must have at least two hours of training on topics related to dementia care for each 12 months of employment thereafter;

(2) direct-care employees must have completed at least four hours of initial training on topics specified under paragraph (b) within 160 working hours of the employment start date. Until this initial training is complete, an employee must not provide direct care unless there is another employee on site who has completed the initial four hours of training on topics related to dementia care and who can act as a resource and assist if issues arise. A trainer of the requirements under paragraph (b) or supervisor meeting the requirements under paragraph (a), clause (1), must be available for consultation with the new employee until the training requirement is complete. Direct-care employees must have at least two hours of training on topics related to dementia for each 12 months of employment thereafter;

(3) staff who do not provide direct care, including maintenance, housekeeping, and food service staff, must have at least four hours of initial training on topics specified under paragraph (b) within 160 working hours of the employment start date, and must have at least two hours of training on topics related to dementia care for each 12 months of employment thereafter; and

(4) new employees may satisfy the initial training requirements by producing written proof of previously completed required training within the past 18 months.

EFFECTIVE DATE. This section is effective January 1, 2016.

Sec. 25. **[144D.10] MANAGER REQUIREMENTS.**

(a) The person primarily responsible for oversight and management of a housing with services establishment, as designated by the owner of the housing with services establishment, must obtain at least 30 hours of continuing education every two years of employment as the manager in topics relevant to the operations of the housing with services establishment and the needs of its tenants. Continuing education earned to maintain a professional license, such as nursing home administrator license, nursing license, social worker license, and real estate license, can be used to complete this requirement.

(b) For managers of establishments identified in section 325F.72, this continuing education must include at least eight hours of documented training on the topics identified in section 144D.065, subdivision 1, paragraph (b), within 160 working hours of hire, and two hours of training these topics for each 12 months of employment thereafter.

(c) For managers of establishments not covered by section 325F.72, but who provide assisted living services under chapter 144G, this continuing education must include at least four hours of documented training on the topics identified in section 144D.065, subdivision 1, paragraph (b), within 160 working hours of hire, and two hours of training on these topics for each 12 months of employment thereafter.

(d) A statement verifying compliance with the continuing education requirement must be included in the housing with services establishment's annual registration to the commissioner of health. The establishment must maintain records for at least three years demonstrating that the person primarily responsible for oversight and management of the establishment has attended educational programs as required by this section.

(e) New managers may satisfy the initial dementia training requirements by producing written proof of previously completed required training within the past 18 months.

(f) This section does not apply to an establishment registered under section 144D.025 serving the homeless.

EFFECTIVE DATE. This section is effective January 1, 2016.

Sec. 26. **[144D.11] EMERGENCY PLANNING.**

(a) Each registered housing with services establishment must meet the following requirements:

(1) have a written emergency disaster plan that contains a plan for evacuation, addresses elements of sheltering in-place, identifies temporary relocation sites, and details staff assignments in the event of a disaster or an emergency;

(2) post an emergency disaster plan prominently;

(3) provide building emergency exit diagrams to all tenants upon signing a lease;

(4) post emergency exit diagrams on each floor; and

(5) have a written policy and procedure regarding missing tenants.

(b) Each registered housing with services establishment must provide emergency and disaster training to all staff within 30 days of hire and annually thereafter and must make emergency and disaster training available to all tenants annually.

(c) Each registered housing with services location must conduct and document a fire drill or other emergency drill at least every six months. To the extent possible, drills must be coordinated with local fire departments or other community emergency resources.

EFFECTIVE DATE. This section is effective January 1, 2016.

Sec. 27. Minnesota Statutes 2013 Supplement, section 145.4716, subdivision 2, is amended to read:

Subd. 2. **Duties of director.** The director of child sex trafficking prevention is responsible for the following:

(1) developing and providing comprehensive training on sexual exploitation of youth for social service professionals, medical professionals, public health workers, and criminal justice professionals;

(2) collecting, organizing, maintaining, and disseminating information on sexual exploitation and services across the state, including maintaining a list of resources on the Department of Health Web site;

(3) monitoring and applying for federal funding for antitrafficking efforts that may benefit victims in the state;

(4) managing grant programs established under sections 145.4716 to 145.4718;

(5) managing the request for proposals for grants for comprehensive services, including trauma-informed, culturally specific services;

~~(6)~~ identifying best practices in serving sexually exploited youth, as defined in section 260C.007, subdivision 31;

~~(7)~~ providing oversight of and technical support to regional navigators pursuant to section 145.4717;

~~(8)~~ (8) conducting a comprehensive evaluation of the statewide program for safe harbor of sexually exploited youth; and

~~(9)~~ (9) developing a policy consistent with the requirements of chapter 13 for sharing data related to sexually exploited youth, as defined in section 260C.007, subdivision 31, among regional navigators and community-based advocates.

Sec. 28. Minnesota Statutes 2012, section 145.928, is amended by adding a subdivision to read:

Subd. 7a. **Minority run health care professional associations.** The commissioner shall award grants to minority run health care professional associations to achieve the following:

(1) provide collaborative mental health services to minority residents;

(2) provide collaborative, holistic, and culturally competent health care services in communities with high concentrations of minority residents; and

(3) collaborate on recruitment, training, and placement of minorities with health care providers.

Sec. 29. Minnesota Statutes 2012, section 149A.92, is amended by adding a subdivision to read:

Subd. 11. **Scope.** Notwithstanding the requirements in section 149A.50, this section applies only to funeral establishments where human remains are present for the purpose of preparation and embalming, private viewings, visitations, services, and holding of human remains while awaiting final disposition. For the purpose of this subdivision, "private viewing" means viewing of a dead human body by persons designated in section 149A.80, subdivision 2.

Sec. 30. Minnesota Statutes 2012, section 325H.05, is amended to read:

325H.05 POSTED WARNING REQUIRED.

(a) The facility owner or operator shall conspicuously post the warning ~~sign~~ signs described in ~~paragraph~~ paragraphs (b) and (c) within three feet of each tanning station. The sign must be clearly visible, not obstructed by any barrier, equipment, or other object, and must be posted so that it can be easily viewed by the consumer before energizing the tanning equipment.

(b) The warning sign required in paragraph (a) shall have dimensions not less than eight inches by ten inches, and must have the following wording:

"DANGER - ULTRAVIOLET RADIATION

-Follow instructions.

-Avoid overexposure. As with natural sunlight, overexposure can cause eye and skin injury and allergic reactions. Repeated exposure may cause premature aging of the skin and skin cancer.

-Wear protective eyewear.

FAILURE TO USE PROTECTIVE EYEWEAR MAY RESULT
IN SEVERE BURNS OR LONG-TERM INJURY TO THE EYES.

-Medications or cosmetics may increase your sensitivity to the ultraviolet radiation. Consult a physician before using sunlamp or tanning equipment if you are using medications or have a history of skin problems or believe yourself to be especially sensitive to sunlight."

(c) All tanning facilities must prominently display a sign in a conspicuous place, at the point of sale, that states it is unlawful for a tanning facility or operator to allow a person under age 18 to use any tanning equipment.

Sec. 31. **[325H.085] USE BY MINORS PROHIBITED.**

A person under age 18 may not use any type of tanning equipment as defined by section 325H.01, subdivision 6, available in a tanning facility in this state.

Sec. 32. Minnesota Statutes 2012, section 325H.09, is amended to read:

325H.09 PENALTY.

Any person who leases tanning equipment or who owns a tanning facility and who operates or permits the equipment or facility to be operated in noncompliance with the requirements of sections 325H.01 to ~~325H.08~~ 325H.085 is guilty of a petty misdemeanor.

Sec. 33. **[403.51] AUTOMATIC EXTERNAL DEFIBRILLATION; REGISTRATION.**

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

(b) "Automatic external defibrillator" or "AED" means an electronic device designed and manufactured to operate automatically or semiautomatically for the purpose of delivering an electrical current to the heart of a person in sudden cardiac arrest.

(c) "AED registry" means a registry of AEDs that requires a maintenance program or package, and includes, but is not limited to, the following registries: the Minnesota AED Registry, the National AED Registry, iRescu, or a manufacturer-specific program.

(d) "Person" means a natural person, partnership, association, corporation, or unit of government.

(e) "Public access AED" means any AED that is intended, by its markings or display, to be used or accessed by the public for the benefit of the general public that may happen to be in the vicinity or location of that AED. It does not include an AED that is owned or used by a hospital, clinic, business, or organization that is intended to be used by staff and is not marked or displayed in a manner to encourage public access.

(f) "Maintenance program or package" means a program that will alert the AED owner when the AED has electrodes and batteries due to expire or replaces those expiring electrodes and batteries for the AED owner.

(g) "Public safety agency" means local law enforcement, county sheriff, municipal police, tribal agencies, state law enforcement, fire departments, including municipal departments, industrial fire brigades, and nonprofit fire departments, joint powers agencies, and licensed ambulance services.

(h) "Mobile AED" means an AED that (1) is purchased with the intent of being located in a vehicle, including, but not limited to, public safety agency vehicles; or (2) will not be placed in stationary storage, including, but not limited to, an AED used at an athletic event.

(i) "Private use AED" means an AED that is not intended to be used or accessed by the public for the benefit of the general public. This may include, but is not limited to, AEDs found in private residences.

Subd. 2. Registration. A person who purchases or obtains a public access AED shall register that device with an AED registry within 30 working days of receiving the AED.

Subd. 3. Required information. A person registering a public access AED shall provide the following information for each AED:

(1) AED manufacturer, model, and serial number;

(2) specific location where the AED will be kept; and

(3) the title, address, and telephone number of a person in management at the business or organization where the AED is located.

Subd. 4. **Information changes.** The owner of a public access AED shall notify their AED registry of any changes in the information that is required in the registration within 30 working days of the change occurring.

Subd. 5. **Public access AED requirements.** A public access AED:

(1) may be inspected during regular business hours by a public safety agency with jurisdiction over the location of the AED;

(2) shall be kept in the location specified in the registration; and

(3) shall be reasonably maintained, including replacement of dead batteries and pads/electrodes, and comply with all manufacturer's recall and safety notices.

Subd. 6. **Removal of AED.** An authorized agent of a public safety agency with jurisdiction over the location of the AED may direct the owner of a public access AED to comply with this section. Such authorized agent of a public safety agency may direct the owner of the AED to remove the AED from its public access location and to remove or cover any public signs relating to that AED if it is determined that the AED is not ready for immediate use.

Subd. 7. **Private use AEDs.** The owner of a private use AED is not subject to the requirements of this section but is encouraged to maintain the AED in a consistent manner.

Subd. 8. **Mobile AEDs.** The owner of a mobile AED is not subject to the requirements of this section but is encouraged to maintain the AED in a consistent manner.

Subd. 9. **Signs.** A person acquiring a public use AED is encouraged but is not required to post signs bearing the universal AED symbol in order to increase the ease of access by the public to the AED in the event of an emergency. A person may not post any AED sign or allow any AED sign to remain posted upon being ordered to remove or cover any AED signs by an authorized agent of a public safety agency.

Subd. 10. **Emergency response plans.** The owner of one or more public access AEDs shall develop an emergency response plan appropriate for the nature of the facility the AED is intended to serve.

Subd. 11. **No civil liability.** Nothing in this section shall create any civil liability on the part of an AED owner.

EFFECTIVE DATE. This section is effective August 1, 2014.

Sec. 34. Minnesota Statutes 2012, section 461.12, is amended to read:

461.12 MUNICIPAL ~~TOBACCO~~ LICENSE OF TOBACCO, TOBACCO-RELATED DEVICES, AND SIMILAR PRODUCTS.

Subdivision 1. **Authorization.** A town board or the governing body of a home rule charter or statutory city may license and regulate the retail sale of tobacco ~~and~~, tobacco-related devices, ~~and~~ electronic delivery devices as defined in section 609.685, subdivision 1, ~~and~~ nicotine and lobelia delivery products as described in section 609.6855, and establish a license fee for sales to recover the estimated cost of enforcing this chapter. The county board shall license and regulate the sale of tobacco ~~and~~, tobacco-related devices, ~~electronic delivery devices, and~~ nicotine and lobelia products in unorganized territory of the county except on the State Fairgrounds and in a town or a home rule charter or statutory city if the town or city does not license and regulate retail ~~sales of tobacco sales,~~

tobacco-related devices, electronic delivery devices, and nicotine and lobelia delivery products. The State Agricultural Society shall license and regulate the sale of tobacco, tobacco-related devices, electronic delivery devices, and nicotine and lobelia delivery products on the State Fairgrounds. Retail establishments licensed by a town or city to sell tobacco, tobacco-related devices, electronic delivery devices, and nicotine and lobelia delivery products are not required to obtain a second license for the same location under the licensing ordinance of the county.

Subd. 2. **Administrative penalties; licensees.** If a licensee or employee of a licensee sells tobacco ~~or~~ tobacco-related devices, electronic delivery devices, or nicotine or lobelia delivery products to a person under the age of 18 years, or violates any other provision of this chapter, the licensee shall be charged an administrative penalty of \$75. An administrative penalty of \$200 must be imposed for a second violation at the same location within 24 months after the initial violation. For a third violation at the same location within 24 months after the initial violation, an administrative penalty of \$250 must be imposed, and the licensee's authority to sell tobacco, tobacco-related devices, electronic delivery devices, or nicotine or lobelia delivery products at that location must be suspended for not less than seven days. No suspension or penalty may take effect until the licensee has received notice, served personally or by mail, of the alleged violation and an opportunity for a hearing before a person authorized by the licensing authority to conduct the hearing. A decision that a violation has occurred must be in writing.

Subd. 3. **Administrative penalty; individuals.** An individual who sells tobacco ~~or~~ tobacco-related devices, electronic delivery devices, or nicotine or lobelia delivery products to a person under the age of 18 years must be charged an administrative penalty of \$50. No penalty may be imposed until the individual has received notice, served personally or by mail, of the alleged violation and an opportunity for a hearing before a person authorized by the licensing authority to conduct the hearing. A decision that a violation has occurred must be in writing.

Subd. 4. **Minors.** The licensing authority shall consult with interested educators, parents, children, and representatives of the court system to develop alternative penalties for minors who purchase, possess, and consume tobacco ~~or~~ tobacco-related devices, electronic delivery devices, or nicotine or lobelia delivery products. The licensing authority and the interested persons shall consider a variety of options, including, but not limited to, tobacco free education programs, notice to schools, parents, community service, and other court diversion programs.

Subd. 5. **Compliance checks.** A licensing authority shall conduct unannounced compliance checks at least once each calendar year at each location where tobacco ~~is~~ tobacco-related devices, electronic delivery devices, or nicotine or lobelia delivery products are sold to test compliance with ~~section~~ sections 609.685 and 609.6855. Compliance checks must involve minors over the age of 15, but under the age of 18, who, with the prior written consent of a parent or guardian, attempt to purchase tobacco ~~or~~ tobacco-related devices, electronic delivery devices, or nicotine or lobelia delivery products under the direct supervision of a law enforcement officer or an employee of the licensing authority.

Subd. 6. **Defense.** It is an affirmative defense to the charge of selling tobacco ~~or~~ tobacco-related devices, electronic delivery devices, or nicotine or lobelia delivery products to a person under the age of 18 years in violation of subdivision 2 or 3 that the licensee or individual making the sale relied in good faith upon proof of age as described in section 340A.503, subdivision 6.

Subd. 7. **Judicial review.** Any person aggrieved by a decision under subdivision 2 or 3 may have the decision reviewed in the district court in the same manner and procedure as provided in section 462.361.

Subd. 8. **Notice to commissioner.** The licensing authority under this section shall, within 30 days of the issuance of a license, inform the commissioner of revenue of the licensee's name, address, trade name, and the effective and expiration dates of the license. The commissioner of revenue must also be informed of a license renewal, transfer, cancellation, suspension, or revocation during the license period.

Sec. 35. Minnesota Statutes 2012, section 461.18, is amended to read:

461.18 BAN ON SELF-SERVICE SALE OF PACKS; EXCEPTIONS.

Subdivision 1. **Except in adult-only facilities.** (a) No person shall offer for sale tobacco or tobacco-related devices, or electronic delivery devices as defined in section 609.685, subdivision 1, or nicotine or lobelia delivery products as described in section 609.6855, in open displays which are accessible to the public without the intervention of a store employee.

(b) [Expired August 28, 1997]

(c) [Expired]

(d) This subdivision shall not apply to retail stores which derive at least 90 percent of their revenue from tobacco and tobacco-related ~~products~~ devices and where the retailer ensures that no person younger than 18 years of age is present, or permitted to enter, at any time.

Subd. 2. **Vending machine sales prohibited.** No person shall sell tobacco products, electronic delivery devices, or nicotine or lobelia delivery products from vending machines. This subdivision does not apply to vending machines in facilities that cannot be entered at any time by persons younger than 18 years of age.

Subd. 3. **Federal regulations for cartons, multipacks.** Code of Federal Regulations, title 21, part 897.16(c), is incorporated by reference with respect to cartons and other multipack units.

Sec. 36. Minnesota Statutes 2012, section 461.19, is amended to read:

461.19 EFFECT ON LOCAL ORDINANCE; NOTICE.

Sections 461.12 to 461.18 do not preempt a local ordinance that provides for more restrictive regulation of sales of tobacco sales, tobacco-related devices, electronic delivery devices, and nicotine and lobelia products. A governing body shall give notice of its intention to consider adoption or substantial amendment of any local ordinance required under section 461.12 or permitted under this section. The governing body shall take reasonable steps to send notice by mail at least 30 days prior to the meeting to the last known address of each licensee or person required to hold a license under section 461.12. The notice shall state the time, place, and date of the meeting and the subject matter of the proposed ordinance.

Sec. 37. Minnesota Statutes 2012, section 609.685, is amended to read:

609.685 SALE OF TOBACCO TO CHILDREN.

Subdivision 1. **Definitions.** For the purposes of this section, the following terms shall have the meanings respectively ascribed to them in this section.

(a) "Tobacco" means cigarettes and any product containing, made, or derived from tobacco that is intended for human consumption, whether chewed, smoked, absorbed, dissolved, inhaled, snorted, sniffed, or ingested by any other means, or any component, part, or accessory of a tobacco product; including but not limited to cigars; cheroots; stogies; perique; granulated, plug cut, crimp cut, ready rubbed, and other smoking tobacco; snuff; snuff flour; cavendish; plug and twist tobacco; fine cut and other chewing tobaccos; shorts; refuse scraps, clippings, cuttings and sweepings of tobacco; and other kinds and forms of tobacco. Tobacco excludes any tobacco product that has been approved by the United States Food and Drug Administration for sale as a tobacco-cessation product, as a tobacco-dependence product, or for other medical purposes, and is being marketed and sold solely for such an approved purpose.

(b) "Tobacco-related devices" means cigarette papers or pipes for smoking or other devices intentionally designed or intended to be used in a manner which enables the chewing, sniffing, smoking, or inhalation of vapors of tobacco or tobacco products. Tobacco-related devices include components of tobacco-related devices which may be marketed or sold separately.

(c) "Electronic delivery device" means any product containing or delivering nicotine, lobelia, or any other substance intended for human consumption that can be used by a person to simulate smoking in the delivery of nicotine or any other substance through inhalation of vapor from the product. Electronic delivery device includes any component part of a product, whether or not marketed or sold separately. Electronic delivery device does not include any product that has been approved or certified by the United States Food and Drug Administration for sale as a tobacco-cessation product, as a tobacco-dependence product, or for other medical purposes, and is marketed and sold for such an approved purpose.

Subd. 1a. **Penalty to sell.** (a) Whoever sells tobacco, tobacco-related devices, or electronic delivery devices to a person under the age of 18 years is guilty of a misdemeanor for the first violation. Whoever violates this subdivision a subsequent time within five years of a previous conviction under this subdivision is guilty of a gross misdemeanor.

(b) It is an affirmative defense to a charge under this subdivision if the defendant proves by a preponderance of the evidence that the defendant reasonably and in good faith relied on proof of age as described in section 340A.503, subdivision 6.

Subd. 2. **Other offenses.** (a) Whoever furnishes tobacco ~~or~~ tobacco-related devices, or electronic delivery devices to a person under the age of 18 years is guilty of a misdemeanor for the first violation. Whoever violates this paragraph a subsequent time is guilty of a gross misdemeanor.

(b) A person under the age of 18 years who purchases or attempts to purchase tobacco ~~or~~ tobacco-related devices, or electronic delivery devices and who uses a driver's license, permit, Minnesota identification card, or any type of false identification to misrepresent the person's age, is guilty of a misdemeanor.

Subd. 3. **Petty misdemeanor.** Except as otherwise provided in subdivision 2, whoever possesses, smokes, chews, or otherwise ingests, purchases, or attempts to purchase tobacco ~~or tobacco-related~~ tobacco-related devices, or electronic delivery devices and is under the age of 18 years is guilty of a petty misdemeanor.

Subd. 4. **Effect on local ordinances.** Nothing in subdivisions 1 to 3 shall supersede or preclude the continuation or adoption of any local ordinance which provides for more stringent regulation of the subject matter in subdivisions 1 to 3.

Subd. 5. **Exceptions.** (a) Notwithstanding subdivision 2, an Indian may furnish tobacco to an Indian under the age of 18 years if the tobacco is furnished as part of a traditional Indian spiritual or cultural ceremony. For purposes of this paragraph, an Indian is a person who is a member of an Indian tribe as defined in section 260.755, subdivision 12.

(b) The penalties in this section do not apply to a person under the age of 18 years who purchases or attempts to purchase tobacco ~~or~~ tobacco-related devices, or electronic delivery devices while under the direct supervision of a responsible adult for training, education, research, or enforcement purposes.

Subd. 6. **Seizure of false identification.** A retailer may seize a form of identification listed in section 340A.503, subdivision 6, if the retailer has reasonable grounds to believe that the form of identification has been altered or falsified or is being used to violate any law. A retailer that seizes a form of identification as authorized under this subdivision shall deliver it to a law enforcement agency within 24 hours of seizing it.

Sec. 38. Minnesota Statutes 2012, section 609.6855, is amended to read:

609.6855 SALE OF NICOTINE DELIVERY PRODUCTS TO CHILDREN.

Subdivision 1. **Penalty to sell.** (a) Whoever sells to a person under the age of 18 years a product containing or delivering nicotine or lobelia intended for human consumption, or any part of such a product, that is not tobacco or an electronic delivery device as defined by section 609.685, is guilty of a misdemeanor for the first violation. Whoever violates this subdivision a subsequent time within five years of a previous conviction under this subdivision is guilty of a gross misdemeanor.

(b) It is an affirmative defense to a charge under this subdivision if the defendant proves by a preponderance of the evidence that the defendant reasonably and in good faith relied on proof of age as described in section 340A.503, subdivision 6.

(c) Notwithstanding paragraph (a), a product containing or delivering nicotine or lobelia intended for human consumption, or any part of such a product, that is not tobacco or an electronic delivery device as defined by section 609.685, may be sold to persons under the age of 18 if the product has been approved or otherwise certified for legal sale by the United States Food and Drug Administration for tobacco use cessation, harm reduction, or for other medical purposes, and is being marketed and sold solely for that approved purpose.

Subd. 2. **Other offense.** A person under the age of 18 years who purchases or attempts to purchase a product containing or delivering nicotine or lobelia intended for human consumption, or any part of such a product, that is not tobacco or an electronic delivery device as defined by section 609.685, and who uses a driver's license, permit, Minnesota identification card, or any type of false identification to misrepresent the person's age, is guilty of a misdemeanor.

Subd. 3. **Petty misdemeanor.** Except as otherwise provided in subdivisions 1 and 2, whoever is under the age of 18 years and possesses, purchases, or attempts to purchase a product containing or delivering nicotine or lobelia intended for human consumption, or any part of such a product, that is not tobacco or an electronic delivery device as defined by section 609.685, is guilty of a petty misdemeanor.

Sec. 39. **EVALUATION AND REPORTING REQUIREMENTS.**

(a) The commissioner of health shall consult with the Alzheimer's Association, Aging Services of Minnesota, Care Providers of Minnesota, the ombudsman for long-term care, Minnesota Home Care Association, and other stakeholders to evaluate the following:

(1) whether additional settings, provider types, licensed and unlicensed personnel, or health care services regulated by the commissioner should be required to comply with the training requirements in Minnesota Statutes, sections 144D.065, 144D.10, and 144D.11;

(2) cost implications for the groups or individuals identified in clause (1) to comply with the training requirements;

(3) dementia education options available;

(4) existing dementia training mandates under federal and state statutes and rules; and

(5) the enforceability of Minnesota Statutes, sections 144D.065, 144D.10, and 144D.11, and methods to determine compliance with the training requirements.

(b) The commissioner shall report the evaluation to the chairs of the health and human services committees of the legislature no later than February 15, 2015, along with any recommendations for legislative changes.

Sec. 40. **LIMITED OPT-IN EXCEPTION.**

Parents and legal guardians of infants born prior to the effective date of this act may give the Department of Health written consent for storage and use as described in Minnesota Statutes, section 144.125, subdivisions 5 and 8.

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

Sec. 41. **DIRECTION TO COMMISSIONER; TRICLOSAN HEALTH RISKS.**

The commissioner of health shall develop recommendations on ways to minimize triclosan health risks.

Sec. 42. **REPEALER.**

(a) Minnesota Statutes 2012, section 144.125, subdivision 6, is repealed the day following final enactment.

(b) Minnesota Statutes 2012, sections 325H.06; and 325H.08, are repealed.

ARTICLE 7
LOCAL PUBLIC HEALTH SYSTEM

Section 1. Minnesota Statutes 2012, section 145A.02, is amended by adding a subdivision to read:

Subd. 1a. Areas of public health responsibility. "Areas of public health responsibility" means:

- (1) assuring an adequate local public health infrastructure;
- (2) promoting healthy communities and healthy behaviors;
- (3) preventing the spread of communicable disease;
- (4) protecting against environmental health hazards;
- (5) preparing for and responding to emergencies; and
- (6) assuring health services.

Sec. 2. Minnesota Statutes 2012, section 145A.02, subdivision 5, is amended to read:

Subd. 5. Community health board. "Community health board" means a board of health established, operating, and eligible for a the governing body for local public health grant under sections 145A.09 to 145A.131. in Minnesota. The community health board may be comprised of a single county, multiple contiguous counties, or in a limited number of cases, a single city as specified in section 145A.03, subdivision 1. CHBs have the responsibilities and authority under this chapter.

Sec. 3. Minnesota Statutes 2012, section 145A.02, is amended by adding a subdivision to read:

Subd. 6a. Community health services administrator. "Community health services administrator" means a person who meets personnel standards for the position established under section 145A.06, subdivision 3b, and is working under a written agreement with, employed by, or under contract with a community health board to provide public health leadership and to discharge the administrative and program responsibilities on behalf of the board.

Sec. 4. Minnesota Statutes 2012, section 145A.02, is amended by adding a subdivision to read:

Subd. 8a. **Local health department.** "Local health department" means an operational entity that is responsible for the administration and implementation of programs and services to address the areas of public health responsibility. It is governed by a community health board.

Sec. 5. Minnesota Statutes 2012, section 145A.02, is amended by adding a subdivision to read:

Subd. 8b. **Essential public health services.** "Essential public health services" means the public health activities that all communities should undertake. These services serve as the framework for the National Public Health Performance Standards. In Minnesota they refer to activities that are conducted to accomplish the areas of public health responsibility. The ten essential public health services are to:

- (1) monitor health status to identify and solve community health problems;
- (2) diagnose and investigate health problems and health hazards in the community;
- (3) inform, educate, and empower people about health issues;
- (4) mobilize community partnerships and action to identify and solve health problems;
- (5) develop policies and plans that support individual and community health efforts;
- (6) enforce laws and regulations that protect health and ensure safety;
- (7) link people to needed personal health services and assure the provision of health care when otherwise unavailable;
- (8) maintain a competent public health workforce;
- (9) evaluate the effectiveness, accessibility, and quality of personal and population-based health services; and
- (10) contribute to research seeking new insights and innovative solutions to health problems.

Sec. 6. Minnesota Statutes 2012, section 145A.02, subdivision 15, is amended to read:

Subd. 15. **Medical consultant.** "Medical consultant" means a physician licensed to practice medicine in Minnesota who is working under a written agreement with, employed by, or on contract with a community health board of health to provide advice and information, to authorize medical procedures through ~~standing orders~~ protocols, and to assist a community health board of health and its staff in coordinating their activities with local medical practitioners and health care institutions.

Sec. 7. Minnesota Statutes 2012, section 145A.02, is amended by adding a subdivision to read:

Subd. 15a. **Performance management.** "Performance management" means the systematic process of using data for decision making by identifying outcomes and standards; measuring, monitoring, and communicating progress; and engaging in quality improvement activities in order to achieve desired outcomes.

Sec. 8. Minnesota Statutes 2012, section 145A.02, is amended by adding a subdivision to read:

Subd. 15b. **Performance measures.** "Performance measures" means quantitative ways to define and measure performance.

Sec. 9. Minnesota Statutes 2012, section 145A.03, subdivision 1, is amended to read:

Subdivision 1. **Establishment; assignment of responsibilities.** (a) The governing body of a ~~city or~~ county must undertake the responsibilities of a community health board of health ~~or establish a board of health by establishing or joining a community health board according to paragraphs (b) to (f) and assign~~ assigning to it the powers and duties ~~of a board of health~~ specified under section 145A.04.

~~(b) A city council may ask a county or joint powers board of health to undertake the responsibilities of a board of health for the city's jurisdiction. A community health board must include within its jurisdiction a population of 30,000 or more persons or be composed of three or more contiguous counties.~~

~~(c) A county board or city council within the jurisdiction of a community health board operating under sections 145A.09 to 145A.131 is preempted from forming a board of community health board except as specified in section 145A.10, subdivision 2 145A.131.~~

(d) A county board or a joint powers board that establishes a community health board and has or establishes an operational human services board under chapter 402 may assign the powers and duties of a community health board to a human services board. Eligibility for funding from the commissioner will be maintained if all requirements of sections 145A.03 and 145A.04 are met.

(e) Community health boards established prior to January 1, 2014, including city community health boards, are eligible to maintain their status as community health boards as outlined in this subdivision.

(f) A community health board may authorize, by resolution, the community health service administrator or other designated agent or agents to act on behalf of the community health board.

Sec. 10. Minnesota Statutes 2012, section 145A.03, subdivision 2, is amended to read:

Subd. 2. **Joint powers community health board of health.** ~~Except as preempted under section 145A.10, subdivision 2,~~ A county may establish a joint community health board of health by agreement with one or more contiguous counties, or ~~a~~ an existing city community health board may establish a joint community health board of health with one or more contiguous ~~cities in the same county, or a city may establish a joint board of health with the existing city community health boards in the same county or counties within~~ in which it is located. The agreements must be established according to section 471.59.

Sec. 11. Minnesota Statutes 2012, section 145A.03, subdivision 4, is amended to read:

Subd. 4. **Membership; duties of chair.** A community health board of health ~~board of health~~ must have at least five members, one of whom must be elected by the members as chair and one as vice-chair. The chair, or in the chair's absence, the vice-chair, must preside at meetings of the community health board of health ~~board of health~~ and sign or authorize an agent to sign contracts and other documents requiring signature on behalf of the community health board of health ~~board of health~~.

Sec. 12. Minnesota Statutes 2012, section 145A.03, subdivision 5, is amended to read:

Subd. 5. **Meetings.** A community health board of health ~~board of health~~ must hold meetings at least twice a year and as determined by its rules of procedure. The board must adopt written procedures for transacting business and must keep a public record of its transactions, findings, and determinations. Members may receive a per diem plus travel and other eligible expenses while engaged in official duties.

Sec. 13. Minnesota Statutes 2012, section 145A.03, is amended by adding a subdivision to read:

Subd. 7. **Community health board; eligibility for funding.** A community health board that meets the requirements of this section is eligible to receive the local public health grant under section 145A.131 and for other funds that the commissioner grants to community health boards to carry out public health activities.

Sec. 14. Minnesota Statutes 2012, section 145A.04, as amended by Laws 2013, chapter 43, section 21, is amended to read:

145A.04 POWERS AND DUTIES OF COMMUNITY HEALTH BOARD OF HEALTH.

Subdivision 1. **Jurisdiction; enforcement.** (a) A county or multicounty community health board of health has the powers and duties of a board of health for all territory within its jurisdiction not under the jurisdiction of a city board of health. Under the general supervision of the commissioner, the board shall enforce laws, regulations, and ordinances pertaining to the powers and duties of a board of health within its jurisdictional area general responsibility for development and maintenance of a system of community health services under local administration and within a system of state guidelines and standards.

(b) Under the general supervision of the commissioner, the community health board shall recommend the enforcement of laws, regulations, and ordinances pertaining to the powers and duties within its jurisdictional area. In the case of a multicounty or city community health board, the joint powers agreement under section 145A.03, subdivision 2, or delegation agreement under section 145A.07 shall clearly specify enforcement authorities.

(c) A member of a community health board may not withdraw from a joint powers community health board during the first two calendar years following the effective date of the initial joint powers agreement. The withdrawing member must notify the commissioner and the other parties to the agreement at least one year before the beginning of the calendar year in which withdrawal takes effect.

(d) The withdrawal of a county or city from a community health board does not effect the eligibility for the local public health grant of any remaining county or city for one calendar year following the effective date of withdrawal.

(e) The local public health grant for a county or city that chooses to withdraw from a multicounty community health board shall be reduced by the amount of the local partnership incentive.

Subd. 1a. **Duties.** Consistent with the guidelines and standards established under section 145A.06, the community health board shall:

(1) identify local public health priorities and implement activities to address the priorities and the areas of public health responsibility, which include:

(i) assuring an adequate local public health infrastructure by maintaining the basic foundational capacities to a well-functioning public health system that includes data analysis and utilization; health planning; partnership development and community mobilization; policy development, analysis, and decision support; communication; and public health research, evaluation, and quality improvement;

(ii) promoting healthy communities and healthy behavior through activities that improve health in a population, such as investing in healthy families; engaging communities to change policies, systems, or environments to promote positive health or prevent adverse health; providing information and education about healthy communities or population health status; and addressing issues of health equity, health disparities, and the social determinants to health;

(iii) preventing the spread of communicable disease by preventing diseases that are caused by infectious agents through detecting acute infectious diseases, ensuring the reporting of infectious diseases, preventing the transmission of infectious diseases, and implementing control measures during infectious disease outbreaks;

(iv) protecting against environmental health hazards by addressing aspects of the environment that pose risks to human health, such as monitoring air and water quality; developing policies and programs to reduce exposure to environmental health risks and promote healthy environments; and identifying and mitigating environmental risks such as food and waterborne diseases, radiation, occupational health hazards, and public health nuisances;

(v) preparing and responding to emergencies by engaging in activities that prepare public health departments to respond to events and incidents and assist communities in recovery, such as providing leadership for public health preparedness activities with a community; developing, exercising, and periodically reviewing response plans for public health threats; and developing and maintaining a system of public health workforce readiness, deployment, and response; and

(vi) assuring health services by engaging in activities such as assessing the availability of health-related services and health care providers in local communities, identifying gaps and barriers in services; convening community partners to improve community health systems; and providing services identified as priorities by the local assessment and planning process; and

(2) submit to the commissioner of health, at least every five years, a community health assessment and community health improvement plan, which shall be developed with input from the community and take into consideration the statewide outcomes, the areas of responsibility, and essential public health services;

(3) implement a performance management process in order to achieve desired outcomes; and

(4) annually report to the commissioner on a set of performance measures and be prepared to provide documentation of ability to meet the performance measures.

Subd. 2. **Appointment of agent community health service (CHS) administrator.** A community health board of health must appoint, employ, or contract with a person or persons CHS administrator to act on its behalf. The board shall notify the commissioner of the agent's name, address, and phone number where the agent may be reached between board meetings CHS administrator's contact information and submit a copy of the resolution authorizing the agent CHS administrator to act as an agent on the board's behalf. The resolution must specify the types of action or actions that the CHS administrator is authorized to take on behalf of the board.

Subd. 2a. **Appointment of medical consultant.** The community health board shall appoint, employ, or contract with a medical consultant to ensure appropriate medical advice and direction for the community health board and assist the board and its staff in the coordination of community health services with local medical care and other health services.

Subd. 3. **Employment; medical consultant employees.** (a) A community health board of health may establish a health department or other administrative agency and may employ persons as necessary to carry out its duties.

(b) Except where prohibited by law, employees of the community health board of health may act as its agents.

(c) Employees of the board of health are subject to any personnel administration rules adopted by a city council or county board forming the board of health unless the employees of the board are within the scope of a statewide personnel administration system. Persons employed by a county, city, or the state whose functions and duties are assumed by a community health board shall become employees of the board without loss in benefits, salaries, or rights.

(d) The board of health may appoint, employ, or contract with a medical consultant to receive appropriate medical advice and direction.

Subd. 4. **Acquisition of property; request for and acceptance of funds; collection of fees.** (a) A community health board of health may acquire and hold in the name of the county or city the lands, buildings, and equipment necessary for the purposes of sections 145A.03 to 145A.131. It may do so by any lawful means, including gifts, purchase, lease, or transfer of custodial control.

(b) A community health board of health may accept gifts, grants, and subsidies from any lawful source, apply for and accept state and federal funds, and request and accept local tax funds.

(c) A community health board of health may establish and collect reasonable fees for performing its duties and providing community health services.

(d) With the exception of licensing and inspection activities, access to community health services provided by or on contract with the community health board of health must not be denied to an individual or family because of inability to pay.

Subd. 5. **Contracts.** To improve efficiency, quality, and effectiveness, avoid unnecessary duplication, and gain cost advantages, a community health board of health may contract to provide, receive, or ensure provision of services.

Subd. 6. **Investigation; reporting and control of communicable diseases.** A community health board of health shall make investigations, or coordinate with any county board or city council within its jurisdiction to make investigations and reports and obey instructions on the control of communicable diseases as the commissioner may direct under section 144.12, 145A.06, subdivision 2, or 145A.07. Community health boards of health must cooperate so far as practicable to act together to prevent and control epidemic diseases.

Subd. 6a. **Minnesota Responds Medical Reserve Corps; planning.** A community health board of health receiving funding for emergency preparedness or pandemic influenza planning from the state or from the United States Department of Health and Human Services shall participate in planning for emergency use of volunteer health professionals through the Minnesota Responds Medical Reserve Corps program of the Department of Health. A community health board of health shall collaborate on volunteer planning with other public and private partners, including but not limited to local or regional health care providers, emergency medical services, hospitals, tribal governments, state and local emergency management, and local disaster relief organizations.

Subd. 6b. **Minnesota Responds Medical Reserve Corps; agreements.** A community health board of health, county, or city participating in the Minnesota Responds Medical Reserve Corps program may enter into written mutual aid agreements for deployment of its paid employees and its Minnesota Responds Medical Reserve Corps volunteers with other community health boards of health, other political subdivisions within the state, or with tribal governments within the state. A community health board of health may also enter into agreements with the Indian Health Services of the United States Department of Health and Human Services, and with boards of health, political subdivisions, and tribal governments in bordering states and Canadian provinces.

Subd. 6c. **Minnesota Responds Medical Reserve Corps; when mobilized.** When a community health board of health, county, or city finds that the prevention, mitigation, response to, or recovery from an actual or threatened public health event or emergency exceeds its local capacity, it shall use available mutual aid agreements. If the event or emergency exceeds mutual aid capacities, a community health board of health, county, or city may request the commissioner of health to mobilize Minnesota Responds Medical Reserve Corps volunteers from outside the jurisdiction of the community health board of health, county, or city.

Subd. 6d. **Minnesota Responds Medical Reserve Corps; liability coverage.** A Minnesota Responds Medical Reserve Corps volunteer responding to a request for training or assistance at the call of a community health board of health, county, or city must be deemed an employee of the jurisdiction for purposes of workers' compensation, tort claim defense, and indemnification.

Subd. 7. **Entry for inspection.** To enforce public health laws, ordinances or rules, a member or agent of a community health board of health, county, or city may enter a building, conveyance, or place where contagion, infection, filth, or other source or cause of preventable disease exists or is reasonably suspected.

Subd. 8. **Removal and abatement of public health nuisances.** (a) If a threat to the public health such as a public health nuisance, source of filth, or cause of sickness is found on any property, the community health board of health, county, city, or its agent shall order the owner or occupant of the property to remove or abate the threat within a time specified in the notice but not longer than ten days. Action to recover costs of enforcement under this subdivision must be taken as prescribed in section 145A.08.

(b) Notice for abatement or removal must be served on the owner, occupant, or agent of the property in one of the following ways:

(1) by registered or certified mail;

(2) by an officer authorized to serve a warrant; or

(3) by a person aged 18 years or older who is not reasonably believed to be a party to any action arising from the notice.

(c) If the owner of the property is unknown or absent and has no known representative upon whom notice can be served, the community health board of health, county, or city, or its agent, shall post a written or printed notice on the property stating that, unless the threat to the public health is abated or removed within a period not longer than ten days, the community health board, county, or city will have the threat abated or removed at the expense of the owner under section 145A.08 or other applicable state or local law.

(d) If the owner, occupant, or agent fails or neglects to comply with the requirement of the notice provided under paragraphs (b) and (c), then the community health board of health, county, city, or its a designated agent of the board, county, or city shall remove or abate the nuisance, source of filth, or cause of sickness described in the notice from the property.

Subd. 9. **Injunctive relief.** In addition to any other remedy provided by law, the community health board of health, county, or city may bring an action in the court of appropriate jurisdiction to enjoin a violation of statute, rule, or ordinance that the board has power to enforce, or to enjoin as a public health nuisance any activity or failure to act that adversely affects the public health.

Subd. 10. **Hindrance of enforcement prohibited; penalty.** It is a misdemeanor ~~deliberately~~ to deliberately hinder a member of a community health board of health, county or city, or its agent from entering a building, conveyance, or place where contagion, infection, filth, or other source or cause of preventable disease exists or is reasonably suspected, or otherwise to interfere with the performance of the duties of the board of health responsible jurisdiction.

Subd. 11. **Neglect of enforcement prohibited; penalty.** It is a misdemeanor for a member or agent of a community health board of health, county, or city to refuse or neglect to perform a duty imposed on a board of health an applicable jurisdiction by statute or ordinance.

Subd. 12. **Other powers and duties established by law.** This section does not limit powers and duties of a community health board of health, county, or city prescribed in other sections.

Subd. 13. **Recommended legislation.** The community health board may recommend local ordinances pertaining to community health services to any county board or city council within its jurisdiction and advise the commissioner on matters relating to public health that require assistance from the state, or that may be of more than local interest.

Subd. 14. **Equal access to services.** The community health board must ensure that community health services are accessible to all persons on the basis of need. No one shall be denied services because of race, color, sex, age, language, religion, nationality, inability to pay, political persuasion, or place of residence.

Subd. 15. **State and local advisory committees.** (a) A state community health services advisory committee is established to advise, consult with, and make recommendations to the commissioner on the development, maintenance, funding, and evaluation of local public health services. Each community health board may appoint a member to serve on the committee. The committee must meet at least quarterly, and special meetings may be called by the committee chair or a majority of the members. Members or their alternates may be reimbursed for travel and other necessary expenses while engaged in their official duties.

(b) Notwithstanding section 15.059, the State Community Health Services Advisory Committee does not expire.

(c) The city boards or county boards that have established or are members of a community health board may appoint a community health advisory to advise, consult with, and make recommendations to the community health board on the duties under subdivision 1a.

Sec. 15. Minnesota Statutes 2012, section 145A.05, subdivision 2, is amended to read:

Subd. 2. **Animal control.** In addition to powers under sections 35.67 to 35.69, a county board, city council, or municipality may adopt ordinances to issue licenses or otherwise regulate the keeping of animals, to restrain animals from running at large, to authorize the impounding and sale or summary destruction of animals, and to establish pounds.

Sec. 16. Minnesota Statutes 2012, section 145A.06, subdivision 2, is amended to read:

Subd. 2. **Supervision of local enforcement.** (a) In the absence of provision for a community health board of health, the commissioner may appoint three or more persons to act as a board until one is established. The commissioner may fix their compensation, which the county or city must pay.

(b) The commissioner by written order may require any two or more community health boards of health, counties, or cities to act together to prevent or control epidemic diseases.

(c) If a community health board, county, or city fails to comply with section 145A.04, subdivision 6, the commissioner may employ medical and other help necessary to control communicable disease at the expense of the board of health jurisdiction involved.

(d) If the commissioner has reason to believe that the provisions of this chapter have been violated, the commissioner shall inform the attorney general and submit information to support the belief. The attorney general shall institute proceedings to enforce the provisions of this chapter or shall direct the county attorney to institute proceedings.

Sec. 17. Minnesota Statutes 2012, section 145A.06, is amended by adding a subdivision to read:

Subd. 3a. **Assistance to community health boards.** The commissioner shall help and advise community health boards that ask for assistance in developing, administering, and carrying out public health services and programs. This assistance may consist of, but is not limited to:

(1) informational resources, consultation, and training to assist community health boards plan, develop, integrate, provide, and evaluate community health services; and

(2) administrative and program guidelines and standards developed with the advice of the State Community Health Services Advisory Committee.

Sec. 18. Minnesota Statutes 2012, section 145A.06, is amended by adding a subdivision to read:

Subd. 3b. **Personnel standards.** In accordance with chapter 14, and in consultation with the State Community Health Services Advisory Committee, the commissioner may adopt rules to set standards for administrative and program personnel to ensure competence in administration and planning.

Sec. 19. Minnesota Statutes 2012, section 145A.06, subdivision 5, is amended to read:

Subd. 5. **Deadly infectious diseases.** The commissioner shall promote measures aimed at preventing businesses from facilitating sexual practices that transmit deadly infectious diseases by providing technical advice to community health boards ~~of health~~ to assist them in regulating these practices or closing establishments that constitute a public health nuisance.

Sec. 20. Minnesota Statutes 2012, section 145A.06, is amended by adding a subdivision to read:

Subd. 5a. **System-level performance management.** To improve public health and ensure the integrity and accountability of the statewide local public health system, the commissioner, in consultation with the State Community Health Services Advisory Committee, shall develop performance measures and implement a process to monitor statewide outcomes and performance improvement.

Sec. 21. Minnesota Statutes 2012, section 145A.06, subdivision 6, is amended to read:

Subd. 6. **Health volunteer program.** (a) The commissioner may accept grants from the United States Department of Health and Human Services for the emergency system for the advanced registration of volunteer health professionals (ESAR-VHP) established under United States Code, title 42, section 247d-7b. The ESAR-VHP program as implemented in Minnesota is known as the Minnesota Responds Medical Reserve Corps.

(b) The commissioner may maintain a registry of volunteers for the Minnesota Responds Medical Reserve Corps and obtain data on volunteers relevant to possible deployments within and outside the state. All state licensing and certifying boards shall cooperate with the Minnesota Responds Medical Reserve Corps and shall verify volunteers' information. The commissioner may also obtain information from other states and national licensing or certifying boards for health practitioners.

(c) The commissioner may share volunteers' data, including any data classified as private data, from the Minnesota Responds Medical Reserve Corps registry with community health boards ~~of health~~, cities or counties, the University of Minnesota's Academic Health Center or other public or private emergency preparedness partners, or tribal governments operating Minnesota Responds Medical Reserve Corps units as needed for credentialing, organizing, training, and deploying volunteers. Upon request of another state participating in the ESAR-VHP or of a Canadian government administering a similar health volunteer program, the commissioner may also share the volunteers' data as needed for emergency preparedness and response.

Sec. 22. Minnesota Statutes 2013 Supplement, section 145A.06, subdivision 7, is amended to read:

Subd. 7. **Commissioner requests for health volunteers.** (a) When the commissioner receives a request for health volunteers from:

(1) a ~~local board of health~~ community health board, county, or city according to section 145A.04, subdivision 6c;

(2) the University of Minnesota Academic Health Center;

(3) another state or a territory through the Interstate Emergency Management Assistance Compact authorized under section 192.89;

(4) the federal government through ESAR-VHP or another similar program; or

(5) a tribal or Canadian government;

the commissioner shall determine if deployment of Minnesota Responds Medical Reserve Corps volunteers from outside the requesting jurisdiction is in the public interest. If so, the commissioner may ask for Minnesota Responds Medical Reserve Corps volunteers to respond to the request. The commissioner may also ask for Minnesota Responds Medical Reserve Corps volunteers if the commissioner finds that the state needs health volunteers.

(b) The commissioner may request Minnesota Responds Medical Reserve Corps volunteers to work on the Minnesota Mobile Medical Unit (MMU), or on other mobile or temporary units providing emergency patient stabilization, medical transport, or ambulatory care. The commissioner may utilize the volunteers for training, mobilization or demobilization, inspection, maintenance, repair, or other support functions for the MMU facility or for other emergency units, as well as for provision of health care services.

(c) A volunteer's rights and benefits under this chapter as a Minnesota Responds Medical Reserve Corps volunteer is not affected by any vacation leave, pay, or other compensation provided by the volunteer's employer during volunteer service requested by the commissioner. An employer is not liable for actions of an employee while serving as a Minnesota Responds Medical Reserve Corps volunteer.

(d) If the commissioner matches the request under paragraph (a) with Minnesota Responds Medical Reserve Corps volunteers, the commissioner shall facilitate deployment of the volunteers from the sending Minnesota Responds Medical Reserve Corps units to the receiving jurisdiction. The commissioner shall track volunteer deployments and assist sending and receiving jurisdictions in monitoring deployments, and shall coordinate efforts with the division of homeland security and emergency management for out-of-state deployments through the Interstate Emergency Management Assistance Compact or other emergency management compacts.

(e) Where the commissioner has deployed Minnesota Responds Medical Reserve Corps volunteers within or outside the state, the provisions of paragraphs (f) and (g) must apply. Where Minnesota Responds Medical Reserve Corps volunteers were deployed across jurisdictions by mutual aid or similar agreements prior to a commissioner's call, the provisions of paragraphs (f) and (g) must apply retroactively to volunteers deployed as of their initial deployment in response to the event or emergency that triggered a subsequent commissioner's call.

(f)(1) A Minnesota Responds Medical Reserve Corps volunteer responding to a request for training or assistance at the call of the commissioner must be deemed an employee of the state for purposes of workers' compensation and tort claim defense and indemnification under section 3.736, without regard to whether the volunteer's activity is under the direction and control of the commissioner, the division of homeland security and emergency management, the sending jurisdiction, the receiving jurisdiction, or of a hospital, alternate care site, or other health care provider treating patients from the public health event or emergency.

(2) For purposes of calculating workers' compensation benefits under chapter 176, the daily wage must be the usual wage paid at the time of injury or death for similar services performed by paid employees in the community where the volunteer regularly resides, or the wage paid to the volunteer in the volunteer's regular employment, whichever is greater.

(g) The Minnesota Responds Medical Reserve Corps volunteer must receive reimbursement for travel and subsistence expenses during a deployment approved by the commissioner under this subdivision according to reimbursement limits established for paid state employees. Deployment begins when the volunteer leaves on the deployment until the volunteer returns from the deployment, including all travel related to the deployment. The Department of Health shall initially review and pay those expenses to the volunteer. Except as otherwise provided by the Interstate Emergency Management Assistance Compact in section 192.89 or agreements made thereunder, the department shall bill the jurisdiction receiving assistance and that jurisdiction shall reimburse the department for expenses of the volunteers.

(h) In the event Minnesota Responds Medical Reserve Corps volunteers are deployed outside the state pursuant to the Interstate Emergency Management Assistance Compact, the provisions of the Interstate Emergency Management Assistance Compact must control over any inconsistent provisions in this section.

(i) When a Minnesota Responds Medical Reserve Corps volunteer makes a claim for workers' compensation arising out of a deployment under this section or out of a training exercise conducted by the commissioner, the volunteer's workers compensation benefits must be determined under section 176.011, subdivision 9, clause (25), even if the volunteer may also qualify under other clauses of section 176.011, subdivision 9.

Sec. 23. Minnesota Statutes 2012, section 145A.07, subdivision 1, is amended to read:

Subdivision 1. **Agreements to perform duties of commissioner.** (a) The commissioner of health may enter into an agreement with any community health board of health, county, or city to delegate all or part of the licensing, inspection, reporting, and enforcement duties authorized under sections 144.12; 144.381 to 144.387; 144.411 to 144.417; 144.71 to 144.74; 145A.04, subdivision 6; provisions of chapter 103I pertaining to construction, repair, and abandonment of water wells; chapter 157; and sections 327.14 to 327.28.

(b) Agreements are subject to subdivision 3.

(c) This subdivision does not affect agreements entered into under Minnesota Statutes 1986, section 145.031, 145.55, or 145.918, subdivision 2.

Sec. 24. Minnesota Statutes 2012, section 145A.07, subdivision 2, is amended to read:

Subd. 2. **Agreements to perform duties of community health board of health.** A community health board of health may authorize a township board, city council, or county board within its jurisdiction to establish a board of health under section 145A.03 and delegate to the board of health by agreement any powers or duties under sections 145A.04, 145A.07, subdivision 2, and 145A.08 carry out activities to fulfill community health board responsibilities. An agreement to delegate community health board powers and duties of a board of health to a county or city must be approved by the commissioner ~~and is subject to subdivision 3.~~

Sec. 25. Minnesota Statutes 2012, section 145A.08, is amended to read:

145A.08 ASSESSMENT OF COSTS; TAX LEVY AUTHORIZED.

Subdivision 1. **Cost of care.** A person who has or whose dependent or spouse has a communicable disease that is subject to control by the community health board of health is financially liable to the unit or agency of government that paid for the reasonable cost of care provided to control the disease under section 145A.04, subdivision 6.

Subd. 2. **Assessment of costs of enforcement.** (a) If costs are assessed for enforcement of section 145A.04, subdivision 8, and no procedure for the assessment of costs has been specified in an agreement established under section 145A.07, the enforcement costs must be assessed as prescribed in this subdivision.

(b) A debt or claim against an individual owner or single piece of real property resulting from an enforcement action authorized by section 145A.04, subdivision 8, must not exceed the cost of abatement or removal.

(c) The cost of an enforcement action under section 145A.04, subdivision 8, may be assessed and charged against the real property on which the public health nuisance, source of filth, or cause of sickness was located. The auditor of the county in which the action is taken shall extend the cost so assessed and charged on the tax roll of the county against the real property on which the enforcement action was taken.

(d) The cost of an enforcement action taken by a town or city ~~board of health~~ under section 145A.04, subdivision 8, may be recovered from the county in which the town or city is located if the city clerk or other officer certifies the costs of the enforcement action to the county auditor as prescribed in this section. Taxes equal to the full amount of the enforcement action but not exceeding the limit in paragraph (b) must be collected by the county treasurer and paid to the city or town as other taxes are collected and paid.

Subd. 3. **Tax levy authorized.** A city council or county board that has formed or is a member of a community health board of health may levy taxes on all taxable property in its jurisdiction to pay the cost of performing its duties under this chapter.

Sec. 26. Minnesota Statutes 2012, section 145A.11, subdivision 2, is amended to read:

Subd. 2. **Levying taxes.** In levying taxes authorized under section 145A.08, subdivision 3, a city council or county board that has formed or is a member of a community health board must consider the income and expenditures required to meet local public health priorities established under section ~~145A.10, subdivision 5a~~ 145A.04, subdivision 1a, clause (2), and statewide outcomes ~~established~~ under section ~~145A.12, subdivision 7~~ 145A.04, subdivision 1a, clause (1).

Sec. 27. Minnesota Statutes 2012, section 145A.131, is amended to read:

145A.131 LOCAL PUBLIC HEALTH GRANT.

Subdivision 1. **Funding formula for community health boards.** (a) Base funding for each community health board eligible for a local public health grant under section ~~145A.09, subdivision 2~~ 145A.03, subdivision 7, shall be determined by each community health board's fiscal year 2003 allocations, prior to unallotment, for the following grant programs: community health services subsidy; state and federal maternal and child health special projects grants; family home visiting grants; TANF MN ENABL grants; TANF youth risk behavior grants; and available women, infants, and children grant funds in fiscal year 2003, prior to unallotment, distributed based on the proportion of WIC participants served in fiscal year 2003 within the CHS service area.

(b) Base funding for a community health board eligible for a local public health grant under section ~~145A.09, subdivision 2~~ 145A.03, subdivision 7, as determined in paragraph (a), shall be adjusted by the percentage difference between the base, as calculated in paragraph (a), and the funding available for the local public health grant.

(c) Multicounty or multicounty community health boards shall receive a local partnership base of up to \$5,000 per year for each county or city in the case of a multicounty community health board included in the community health board.

(d) The State Community Health Advisory Committee may recommend a formula to the commissioner to use in distributing state and federal funds to community health boards organized and operating under sections ~~145A.09~~ 145A.03 to 145A.131 to achieve locally identified priorities under section ~~145A.12, subdivision 7~~, by July 1, 2004 145A.04, subdivision 1a, for use in distributing funds to community health boards beginning January 1, 2006, and thereafter.

Subd. 2. **Local match.** (a) A community health board that receives a local public health grant shall provide at least a 75 percent match for the state funds received through the local public health grant described in subdivision 1 and subject to paragraphs (b) to (d).

(b) Eligible funds must be used to meet match requirements. Eligible funds include funds from local property taxes, reimbursements from third parties, fees, other local funds, and donations or nonfederal grants that are used for community health services described in section 145A.02, subdivision 6.

(c) When the amount of local matching funds for a community health board is less than the amount required under paragraph (a), the local public health grant provided for that community health board under this section shall be reduced proportionally.

(d) A city organized under the provision of sections ~~145A.09~~ 145A.03 to 145A.131 that levies a tax for provision of community health services is exempt from any county levy for the same services to the extent of the levy imposed by the city.

Subd. 3. **Accountability.** (a) Community health boards accepting local public health grants must ~~document progress toward the statewide outcomes established in section 145A.12, subdivision 7, to maintain eligibility to receive the local public health grant.~~ meet all of the requirements and perform all of the duties described in sections 145A.03 and 145A.04, to maintain eligibility to receive the local public health grant.

~~(b) In determining whether or not the community health board is documenting progress toward statewide outcomes, the commissioner shall consider the following factors:~~

~~(1) whether the community health board has documented progress to meeting essential local activities related to the statewide outcomes, as specified in the grant agreement;~~

~~(2) the effort put forth by the community health board toward the selected statewide outcomes;~~

~~(3) whether the community health board has previously failed to document progress toward selected statewide outcomes under this section;~~

~~(4) the amount of funding received by the community health board to address the statewide outcomes; and~~

~~(5) other factors as the commissioner may require, if the commissioner specifically identifies the additional factors in the commissioner's written notice of determination.~~

~~(c) If the commissioner determines that a community health board has not by the applicable deadline documented progress toward the selected statewide outcomes established under section 145.8821 or 145A.12, subdivision 7, the commissioner shall notify the community health board in writing and recommend specific actions that the community health board should take over the following 12 months to maintain eligibility for the local public health grant.~~

~~(d) During the 12 months following the written notification, the commissioner shall provide administrative and program support to assist the community health board in taking the actions recommended in the written notification.~~

~~(e) If the community health board has not taken the specific actions recommended by the commissioner within 12 months following written notification, the commissioner may determine not to distribute funds to the community health board under section 145A.12, subdivision 2, for the next fiscal year.~~

~~(f) If the commissioner determines not to distribute funds for the next fiscal year, the commissioner must give the community health board written notice of this determination and allow the community health board to appeal the determination in writing.~~

~~(g) If the commissioner determines not to distribute funds for the next fiscal year to a community health board that has not documented progress toward the statewide outcomes and not taken the actions recommended by the commissioner, the commissioner may retain local public health grant funds that the community health board would have otherwise received and directly carry out essential local activities to meet the statewide outcomes, or contract with other units of government or community-based organizations to carry out essential local activities related to the statewide outcomes.~~

~~(h) If the community health board that does not document progress toward the statewide outcomes is a city, the commissioner shall distribute the local public health funds that would have been allocated to that city to the county in which the city is located, if that county is part of a community health board.~~

~~(i) The commissioner shall establish a reporting system by which community health boards will document their progress toward statewide outcomes. This system will be developed in consultation with the State Community Health Services Advisory Committee established in section 145A.10, subdivision 10, paragraph (a).~~

(b) By January 1 of each year, the commissioner shall notify community health boards of the performance-related accountability requirements of the local public health grant for that calendar year. Performance-related accountability requirements will be comprised of a subset of the annual performance measures and will be selected in consultation with the State Community Health Services Advisory Committee.

(c) If the commissioner determines that a community health board has not met the accountability requirements, the commissioner shall notify the community health board in writing and recommend specific actions the community health board must take over the next six months in order to maintain eligibility for the Local Public Health Act grant.

(d) Following the written notification in paragraph (c), the commissioner shall provide administrative and program support to assist the community health board as required in section 145A.06, subdivision 3a.

(e) The commissioner shall provide the community health board two months following the written notification to appeal the determination in writing.

(f) If the community health board has not submitted an appeal within two months or has not taken the specific actions recommended by the commissioner within six months following written notification, the commissioner may elect to not reimburse invoices for funds submitted after the six-month compliance period and shall reduce by 1/12 the community health board's annual award allocation for every successive month of noncompliance.

(g) The commissioner may retain the amount of funding that would have been allocated to the community health board and assume responsibility for public health activities in the geographic area served by the community health board.

Subd. 4. Responsibility of commissioner to ensure a statewide public health system. ~~If a county withdraws from a community health board and operates as a board of health or~~ If a community health board elects not to accept the local public health grant, the commissioner may retain the amount of funding that would have been allocated to the community health board ~~using the formula described in subdivision 1~~ and assume responsibility for public health activities ~~to meet the statewide outcomes in the geographic area served by the board of health or community health board.~~ The commissioner may elect to directly provide public health activities ~~to meet the statewide outcomes~~ or contract with other units of government or with community-based organizations. If a city that is currently a community health board withdraws from a community health board or elects not to accept the local public health grant, the local public health grant funds that would have been allocated to that city shall be distributed to the county in which the city is located, ~~if the county is part of a community health board.~~

Subd. 5. ~~Local public health priorities~~ **Use of funds.** Community health boards may use their local public health grant ~~to address local public health priorities identified under section 145A.10, subdivision 5a.~~ funds to address the areas of public health responsibility and local priorities developed through the community health assessment and community health improvement planning process.

Sec. 28. **REVISOR'S INSTRUCTION.**

(a) The revisor shall change the terms "board of health" or "local board of health" or any derivative of those terms to "community health board" where it appears in Minnesota Statutes, sections 13.3805, subdivision 1, paragraph (b); 13.46, subdivision 2, paragraph (a), clause (24); 35.67; 35.68; 38.02, subdivision 1, paragraph (b), clause (1); 121A.15, subdivisions 7 and 8; 144.055, subdivision 1; 144.065; 144.12, subdivision 1; 144.255, subdivision 2a; 144.3351; 144.383; 144.417, subdivision 3; 144.4172, subdivision 6; 144.4173, subdivision 2; 144.4174; 144.49, subdivision 1; 144.6581; 144A.471, subdivision 9, clause (19); 145.9255, subdivision 2; 175.35; 308A.201, subdivision 14; 375A.04, subdivision 1; and 412.221, subdivision 22, paragraph (c).

(b) The revisor shall change the cross-reference from "145A.02, subdivision 2" to "145A.02, subdivision 5" where it appears in Minnesota Statutes, sections 13.3805, subdivision 1, paragraph (b); 13.46, subdivision 2, paragraph (a), clause (24); 35.67; 35.68; 38.02, subdivision 1, paragraph (b), clause (1); 121A.15, subdivisions 7 and 8; 144.055, subdivision 1; 144.065; 144.12, subdivision 1; 144.225, subdivision 2a; 144.3351; 144.383; 144.417, subdivision 3; 144.4172, subdivision 6; 144.4173, subdivision 2; 144.4174; 144.49, subdivision 1; 144A.471, subdivision 9, clause (19); 175.35; 308A.201, subdivision 14; 375A.04, subdivision 1; and 412.221, subdivision 22, paragraph (c).

Sec. 29. **REPEALER.**

Minnesota Statutes 2012, sections 145A.02, subdivision 2; 145A.03, subdivisions 3 and 6; 145A.09, subdivisions 1, 2, 3, 4, 5, and 7; 145A.10, subdivisions 1, 2, 3, 4, 5a, 7, 9, and 10; and 145A.12, subdivisions 1, 2, and 7, are repealed. The revisor shall remove cross-references to these repealed sections and make changes necessary to correct punctuation, grammar, or structure of the remaining text.

ARTICLE 8
CONTINUING CARE

Section 1. Minnesota Statutes 2012, section 245A.155, subdivision 1, is amended to read:

Subdivision 1. **Licensed foster care and respite care.** This section applies to foster care agencies and licensed foster care providers who place, supervise, or care for individuals who rely on medical monitoring equipment to sustain life or monitor a medical condition that could become life-threatening without proper use of the medical equipment in respite care or foster care.

Sec. 2. Minnesota Statutes 2012, section 245A.155, subdivision 2, is amended to read:

Subd. 2. **Foster care agency requirements.** In order for an agency to place an individual who relies on medical equipment to sustain life or monitor a medical condition that could become life-threatening without proper use of the medical equipment with a foster care provider, the agency must ensure that the foster care provider has received the training to operate such equipment as observed and confirmed by a qualified source, and that the provider:

(1) is currently caring for an individual who is using the same equipment in the foster home; or

(2) has written documentation that the foster care provider has cared for an individual who relied on such equipment within the past six months; or

(3) has successfully completed training with the individual being placed with the provider.

Sec. 3. Minnesota Statutes 2012, section 245A.155, subdivision 3, is amended to read:

Subd. 3. **Foster care provider requirements.** A foster care provider shall not care for an individual who relies on medical equipment to sustain life or monitor a medical condition that could become life-threatening without proper use of the medical equipment unless the provider has received the training to operate such equipment as observed and confirmed by a qualified source, and:

(1) is currently caring for an individual who is using the same equipment in the foster home; or

(2) has written documentation that the foster care provider has cared for an individual who relied on such equipment within the past six months; or

(3) has successfully completed training with the individual being placed with the provider.

Sec. 4. Minnesota Statutes 2012, section 245A.65, subdivision 2, is amended to read:

Subd. 2. **Abuse prevention plans.** All license holders shall establish and enforce ongoing written program abuse prevention plans and individual abuse prevention plans as required under section 626.557, subdivision 14.

(a) The scope of the program abuse prevention plan is limited to the population, physical plant, and environment within the control of the license holder and the location where licensed services are provided. In addition to the requirements in section 626.557, subdivision 14, the program abuse prevention plan shall meet the requirements in clauses (1) to (5).

(1) The assessment of the population shall include an evaluation of the following factors: age, gender, mental functioning, physical and emotional health or behavior of the client; the need for specialized programs of care for clients; the need for training of staff to meet identified individual needs; and the knowledge a license holder may have regarding previous abuse that is relevant to minimizing risk of abuse for clients.

(2) The assessment of the physical plant where the licensed services are provided shall include an evaluation of the following factors: the condition and design of the building as it relates to the safety of the clients; and the existence of areas in the building which are difficult to supervise.

(3) The assessment of the environment for each facility and for each site when living arrangements are provided by the agency shall include an evaluation of the following factors: the location of the program in a particular neighborhood or community; the type of grounds and terrain surrounding the building; the type of internal programming; and the program's staffing patterns.

(4) The license holder shall provide an orientation to the program abuse prevention plan for clients receiving services. If applicable, the client's legal representative must be notified of the orientation. The license holder shall provide this orientation for each new person within 24 hours of admission, or for persons who would benefit more from a later orientation, the orientation may take place within 72 hours.

(5) The license holder's governing body or the governing body's delegated representative shall review the plan at least annually using the assessment factors in the plan and any substantiated maltreatment findings that occurred since the last review. The governing body or the governing body's delegated representative shall revise the plan, if necessary, to reflect the review results.

(6) A copy of the program abuse prevention plan shall be posted in a prominent location in the program and be available upon request to mandated reporters, persons receiving services, and legal representatives.

(b) In addition to the requirements in section 626.557, subdivision 14, the individual abuse prevention plan shall meet the requirements in clauses (1) and (2).

(1) The plan shall include a statement of measures that will be taken to minimize the risk of abuse to the vulnerable adult when the individual assessment required in section 626.557, subdivision 14, paragraph (b), indicates the need for measures in addition to the specific measures identified in the program abuse prevention plan. The measures shall include the specific actions the program will take to minimize the risk of abuse within the scope of the licensed services, and will identify referrals made when the vulnerable adult is susceptible to abuse outside the scope or control of the licensed services. When the assessment indicates that the vulnerable adult does not need specific risk reduction measures in addition to those identified in the program abuse prevention plan, the individual abuse prevention plan shall document this determination.

(2) An individual abuse prevention plan shall be developed for each new person as part of the initial individual program plan or service plan required under the applicable licensing rule. The review and evaluation of the individual abuse prevention plan shall be done as part of the review of the program plan or service plan. The person receiving services shall participate in the development of the individual abuse prevention plan to the full extent of the person's abilities. If applicable, the person's legal representative shall be given the opportunity to participate with or for the person in the development of the plan. The interdisciplinary team shall document the review of all abuse prevention plans at least annually, using the individual assessment and any reports of abuse relating to the person. The plan shall be revised to reflect the results of this review.

Sec. 5. Minnesota Statutes 2013 Supplement, section 245D.02, is amended by adding a subdivision to read:

Subd. 37. **Working day.** "Working day" means Monday, Tuesday, Wednesday, Thursday, or Friday, excluding any legal holiday.

Sec. 6. Minnesota Statutes 2013 Supplement, section 245D.05, subdivision 1, is amended to read:

Subdivision 1. **Health needs.** (a) The license holder is responsible for meeting health service needs assigned in the coordinated service and support plan or the coordinated service and support plan addendum, consistent with the person's health needs. The license holder is responsible for ~~promptly~~ notifying the person's legal representative, if any, and the case manager of changes in a person's physical and mental health needs affecting health service needs assigned to the license holder in the coordinated service and support plan or the coordinated service and support plan addendum, when within 24 hours of being discovered by the license holder, or as directed in the coordinated service and support plan or support plan addendum, unless the license holder has reason to know the change has already been reported. The license holder must document when the notice is provided.

(b) If responsibility for meeting the person's health service needs has been assigned to the license holder in the coordinated service and support plan or the coordinated service and support plan addendum, the license holder must maintain documentation on how the person's health needs will be met, including a description of the procedures the license holder will follow in order to:

(1) provide medication assistance or medication administration according to this chapter;

(2) monitor health conditions according to written instructions from a licensed health professional;

(3) assist with or coordinate medical, dental, and other health service appointments; or

(4) use medical equipment, devices, or adaptive aides or technology safely and correctly according to written instructions from a licensed health professional.

Sec. 7. Minnesota Statutes 2013 Supplement, section 245D.05, subdivision 1b, is amended to read:

Subd. 1b. **Medication assistance.** If responsibility for medication assistance is assigned to the license holder in the coordinated service and support plan or the coordinated service and support plan addendum, ~~the license holder must ensure that the requirements of subdivision 2, paragraph (b), have been met when staff provides medication assistance~~ must be provided to enable a person to self-administer medication or treatment when the person is capable of directing the person's own care, or when the person's legal representative is present and able to direct care for the person. For the purposes of this subdivision, "medication assistance" means any of the following:

(1) bringing to the person and opening a container of previously set up medications, emptying the container into the person's hand, or opening and giving the medications in the original container to the person;

(2) bringing to the person liquids or food to accompany the medication; or

(3) providing reminders, in person, remotely, or through programming devices such as telephones, alarms, or medication boxes, to take regularly scheduled medication or perform regularly scheduled treatments and exercises.

Sec. 8. Minnesota Statutes 2013 Supplement, section 245D.06, subdivision 1, is amended to read:

Subdivision 1. **Incident response and reporting.** (a) The license holder must respond to incidents under section 245D.02, subdivision 11, that occur while providing services to protect the health and safety of and minimize risk of harm to the person.

(b) The license holder must maintain information about and report incidents to the person's legal representative or designated emergency contact and case manager within 24 hours of an incident occurring while services are being provided, within 24 hours of discovery or receipt of information that an incident occurred, unless the license holder has reason to know that the incident has already been reported, or as otherwise directed in a person's coordinated service and support plan or coordinated service and support plan addendum. An incident of suspected or alleged maltreatment must be reported as required under paragraph (d), and an incident of serious injury or death must be reported as required under paragraph (e).

(c) When the incident involves more than one person, the license holder must not disclose personally identifiable information about any other person when making the report to each person and case manager unless the license holder has the consent of the person.

(d) Within 24 hours of reporting maltreatment as required under section 626.556 or 626.557, the license holder must inform the case manager of the report unless there is reason to believe that the case manager is involved in the suspected maltreatment. The license holder must disclose the nature of the activity or occurrence reported and the agency that received the report.

(e) The license holder must report the death or serious injury of the person as required in paragraph (b) and to the Department of Human Services Licensing Division, and the Office of Ombudsman for Mental Health and Developmental Disabilities as required under section 245.94, subdivision 2a, within 24 hours of the death or serious injury, or receipt of information that the death or serious injury occurred, unless the license holder has reason to know that the death or serious injury has already been reported.

(f) When a death or serious injury occurs in a facility certified as an intermediate care facility for persons with developmental disabilities, the death or serious injury must be reported to the Department of Health, Office of Health Facility Complaints, and the Office of Ombudsman for Mental Health and Developmental Disabilities, as required under sections 245.91 and 245.94, subdivision 2a, unless the license holder has reason to know that the death or serious injury has already been reported.

(g) The license holder must conduct an internal review of incident reports of deaths and serious injuries that occurred while services were being provided and that were not reported by the program as alleged or suspected maltreatment, for identification of incident patterns, and implementation of corrective action as necessary to reduce occurrences. The review must include an evaluation of whether related policies and procedures were followed, whether the policies and procedures were adequate, whether there is a need for additional staff training, whether the reported event is similar to past events with the persons or the services involved, and whether there is a need for corrective action by the license holder to protect the health and safety of persons receiving services. Based on the results of this review, the license holder must develop, document, and implement a corrective action plan designed to correct current lapses and prevent future lapses in performance by staff or the license holder, if any.

(h) The license holder must verbally report the emergency use of manual restraint of a person as required in paragraph (b) within 24 hours of the occurrence. The license holder must ensure the written report and internal review of all incident reports of the emergency use of manual restraints are completed according to the requirements in section 245D.061.

Sec. 9. Minnesota Statutes 2013 Supplement, section 245D.07, subdivision 2, is amended to read:

Subd. 2. **Service planning requirements for basic support services.** (a) License holders providing basic support services or intensive support services identified in section 245D.03, subdivision 1, paragraph (c), clauses (1) and (2), must meet the requirements of this subdivision.

(b) Within 15 calendar days of service initiation the license holder must complete a preliminary coordinated service and support plan addendum based on the coordinated service and support plan.

(c) Within 60 calendar days of service initiation the license holder must review and revise as needed the preliminary coordinated service and support plan addendum to document the services that will be provided including how, when, and by whom services will be provided, and the person responsible for overseeing the delivery and coordination of services.

(d) The license holder must participate in service planning and support team meetings for the person following stated timelines established in the person's coordinated service and support plan or as requested by the person or the person's legal representative, the support team or the expanded support team.

Sec. 10. Minnesota Statutes 2013 Supplement, section 245D.071, subdivision 1, is amended to read:

Subdivision 1. **Requirements for intensive support services.** Except for services identified in section 245D.03, subdivision 1, paragraph (c), clauses (1) and (2), a license holder providing intensive support services identified in section 245D.03, subdivision 1, paragraph (c), must comply with the requirements in this section and section 245D.07, subdivisions 1 and 3.

Sec. 11. Minnesota Statutes 2013 Supplement, section 245D.071, subdivision 3, is amended to read:

Subd. 3. **Assessment and initial service planning.** (a) Within 15 calendar days of service initiation the license holder must complete a preliminary coordinated service and support plan addendum based on the coordinated service and support plan.

(b) Within 45 calendar days of service initiation the license holder must meet with the person, the person's legal representative, the case manager, and other members of the support team or expanded support team to assess and determine the following based on the person's coordinated service and support plan and the requirements in subdivision 4 and section 245D.07, subdivision 1a:

- (1) the scope of the services to be provided to support the person's daily needs and activities;
- (2) the person's desired outcomes and the supports necessary to accomplish the person's desired outcomes;
- (3) the person's preferences for how services and supports are provided;
- (4) whether the current service setting is the most integrated setting available and appropriate for the person; and
- (5) how services must be coordinated across other providers licensed under this chapter serving the same person to ensure continuity of care for the person.

(c) Within the scope of services, the license holder must, at a minimum, assess the following areas:

(1) the person's ability to self-manage health and medical needs to maintain or improve physical, mental, and emotional well-being, including, when applicable, allergies, seizures, choking, special dietary needs, chronic medical conditions, self-administration of medication or treatment orders, preventative screening, and medical and dental appointments;

(2) the person's ability to self-manage personal safety to avoid injury or accident in the service setting, including, when applicable, risk of falling, mobility, regulating water temperature, community survival skills, water safety skills, and sensory disabilities; and

(3) the person's ability to self-manage symptoms or behavior that may otherwise result in an incident as defined in section 245D.02, subdivision 11, clauses (4) to (7), suspension or termination of services by the license holder, or other symptoms or behaviors that may jeopardize the health and safety of the person or others.

The assessments must produce information about the person that is descriptive of the person's overall strengths, functional skills and abilities, and behaviors or symptoms.

Sec. 12. Minnesota Statutes 2013 Supplement, section 245D.071, subdivision 4, is amended to read:

Subd. 4. **Service outcomes and supports.** (a) Within ten working days of the 45-day meeting, the license holder must develop and document the service outcomes and supports based on the assessments completed under subdivision 3 and the requirements in section 245D.07, subdivision 1a. The outcomes and supports must be included in the coordinated service and support plan addendum.

(b) The license holder must document the supports and methods to be implemented to support the accomplishment of outcomes related to acquiring, retaining, or improving skills. The documentation must include:

(1) the methods or actions that will be used to support the person and to accomplish the service outcomes, including information about:

(i) any changes or modifications to the physical and social environments necessary when the service supports are provided;

(ii) any equipment and materials required; and

(iii) techniques that are consistent with the person's communication mode and learning style;

(2) the measurable and observable criteria for identifying when the desired outcome has been achieved and how data will be collected;

(3) the projected starting date for implementing the supports and methods and the date by which progress towards accomplishing the outcomes will be reviewed and evaluated; and

(4) the names of the staff or position responsible for implementing the supports and methods.

(c) Within 20 working days of the 45-day meeting, the license holder must submit to and obtain dated signatures from the person or the person's legal representative and case manager to document completion and approval of the assessment and coordinated service and support plan addendum. If, within ten working days of the submission of the assessment or coordinated service and support plan addendum, the person or the person's legal representative or case manager has not signed and returned to the license holder the assessment and coordinated service and support plan addendum or has not proposed written modifications to the license holder's submission, the submission is deemed approved and the assessment and coordinated service and support plan addendum become effective and remain in effect until the legal representative or case manager submits a written request to revise the assessment or coordinated service and support plan addendum.

Sec. 13. Minnesota Statutes 2013 Supplement, section 245D.071, subdivision 5, is amended to read:

Subd. 5. **Progress reviews.** (a) The license holder must give the person or the person's legal representative and case manager an opportunity to participate in the ongoing review and development of the methods used to support the person and accomplish outcomes identified in subdivisions 3 and 4. The license holder, in coordination with the person's support team or expanded support team, must meet with the person, the person's legal representative, and the case manager, and participate in progress review meetings following stated timelines established in the person's coordinated service and support plan or coordinated service and support plan addendum or within 30 days of a written request by the person, the person's legal representative, or the case manager, at a minimum of once per year.

(b) The license holder must summarize the person's progress toward achieving the identified outcomes and make recommendations and identify the rationale for changing, continuing, or discontinuing implementation of supports and methods identified in subdivision 4 in a written report sent to the person or the person's legal representative and case manager five working days prior to the review meeting, unless the person, the person's legal representative, or the case manager requests to receive the in a report available at the time of the progress review meeting. The report must be sent five working days prior to the progress review meeting if requested by the team in the coordinated service and support plan or coordinated service and support plan addendum. Within 60 calendar days of service initiation, the license holder must document the preference of the person or the person's legal representative and the case manager regarding receiving written reports. The license holder must document changes to those preferences when changes are requested.

(c) Within ten working days of the progress review meeting, the license holder must obtain dated signatures from the person or the person's legal representative and the case manager to document approval of any changes to the coordinated service and support plan addendum.

(d) If, within ten working days of the submission of the changes to the coordinated service and support plan addendum, the person or the person's legal representative or case manager has not signed and returned to the license holder the coordinated service and support plan addendum or has not proposed written modifications to the license holder's submission, the submission is deemed approved and the coordinated service and support plan addendum becomes effective and remains in effect until the legal representative or case manager submits a written request to revise the coordinated service and support plan.

Sec. 14. Minnesota Statutes 2013 Supplement, section 245D.09, subdivision 3, is amended to read:

Subd. 3. **Staff qualifications.** (a) The license holder must ensure that staff providing direct support, or staff who have responsibilities related to supervising or managing the provision of direct support service, are competent as demonstrated through skills and knowledge training, experience, and education to meet the person's needs and

additional requirements as written in the coordinated service and support plan or coordinated service and support plan addendum, or when otherwise required by the case manager or the federal waiver plan. The license holder must verify and maintain evidence of staff competency, including documentation of:

(1) education and experience qualifications relevant to the job responsibilities assigned to the staff and the needs of the general population of persons served by the program, including a valid degree and transcript, or a current license, registration, or certification, when a degree or licensure, registration, or certification is required by this chapter or in the coordinated service and support plan or coordinated service and support plan addendum;

(2) demonstrated competency in the orientation and training areas required under this chapter, and when applicable, completion of continuing education required to maintain professional licensure, registration, or certification requirements. Competency in these areas is determined by the license holder through knowledge testing ~~and or~~ observed skill assessment ~~conducted by the trainer or instructor~~; and

(3) except for a license holder who is the sole direct support staff, periodic performance evaluations completed by the license holder of the direct support staff person's ability to perform the job functions based on direct observation.

(b) Staff under 18 years of age may not perform overnight duties or administer medication.

Sec. 15. Minnesota Statutes 2013 Supplement, section 245D.09, subdivision 4, is amended to read:

Subd. 4. **Orientation to program requirements.** Except for a license holder who does not supervise any direct support staff, within 60 calendar days of hire, unless stated otherwise, the license holder must provide and ensure completion of ten hours of orientation for direct support staff providing basic services and 30 hours of orientation for direct support staff providing intensive services that combines supervised on-the-job training with review of and instruction in the following areas:

(1) the job description and how to complete specific job functions, including:

(i) responding to and reporting incidents as required under section 245D.06, subdivision 1; and

(ii) following safety practices established by the license holder and as required in section 245D.06, subdivision 2;

(2) the license holder's current policies and procedures required under this chapter, including their location and access, and staff responsibilities related to implementation of those policies and procedures;

(3) data privacy requirements according to sections 13.01 to 13.10 and 13.46, the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA), and staff responsibilities related to complying with data privacy practices;

(4) the service recipient rights and staff responsibilities related to ensuring the exercise and protection of those rights according to the requirements in section 245D.04;

(5) sections 245A.65, 245A.66, 626.556, and 626.557, governing maltreatment reporting and service planning for children and vulnerable adults, and staff responsibilities related to protecting persons from maltreatment and reporting maltreatment. This orientation must be provided within 72 hours of first providing direct contact services and annually thereafter according to section 245A.65, subdivision 3;

(6) the principles of person-centered service planning and delivery as identified in section 245D.07, subdivision 1a, and how they apply to direct support service provided by the staff person; ~~and~~

(7) the safe and correct use of manual restraint on an emergency basis according to the requirements in section 245D.061 and what constitutes the use of restraints, time out, and seclusion, including chemical restraint;

(8) staff responsibilities related to prohibited procedures under section 245D.06, subdivision 5, why such procedures are not effective for reducing or eliminating symptoms or undesired behavior, and why such procedures are not safe;

(9) basic first aid; and

(10) other topics as determined necessary in the person's coordinated service and support plan by the case manager or other areas identified by the license holder.

Sec. 16. Minnesota Statutes 2013 Supplement, section 245D.09, subdivision 4a, is amended to read:

Subd. 4a. **Orientation to individual service recipient needs.** (a) Before having unsupervised direct contact with a person served by the program, or for whom the staff person has not previously provided direct support, or any time the plans or procedures identified in paragraphs (b) to ~~(f)~~ (e) are revised, the staff person must review and receive instruction on the requirements in paragraphs (b) to ~~(f)~~ (e) as they relate to the staff person's job functions for that person.

(b) For community residential services, training and competency evaluations must include the following, if identified in the coordinated service and support plan:

(1) appropriate and safe techniques in personal hygiene and grooming, including hair care; bathing; care of teeth, gums, and oral prosthetic devices; and other activities of daily living (ADLs) as defined under section 256B.0659, subdivision 1;

(2) an understanding of what constitutes a healthy diet according to data from the Centers for Disease Control and Prevention and the skills necessary to prepare that diet; and

(3) skills necessary to provide appropriate support in instrumental activities of daily living (IADLs) as defined under section 256B.0659, subdivision 1; ~~and~~

~~(4) demonstrated competence in providing first aid.~~

(c) The staff person must review and receive instruction on the person's coordinated service and support plan or coordinated service and support plan addendum as it relates to the responsibilities assigned to the license holder, and when applicable, the person's individual abuse prevention plan, to achieve and demonstrate an understanding of the person as a unique individual, and how to implement those plans.

(d) The staff person must review and receive instruction on medication administration procedures established for the person when medication administration is assigned to the license holder according to section 245D.05, subdivision 1, paragraph (b). Unlicensed staff may administer medications only after successful completion of a medication administration training, from a training curriculum developed by a registered nurse, clinical nurse specialist in psychiatric and mental health nursing, certified nurse practitioner, physician's assistant, or physician. The training curriculum must incorporate an observed skill assessment conducted by the trainer to ensure staff demonstrate the ability to safely and correctly follow medication procedures.

Medication administration must be taught by a registered nurse, clinical nurse specialist, certified nurse practitioner, physician's assistant, or physician if, at the time of service initiation or any time thereafter, the person has or develops a health care condition that affects the service options available to the person because the condition requires:

(1) specialized or intensive medical or nursing supervision; and

(2) nonmedical service providers to adapt their services to accommodate the health and safety needs of the person.

(e) The staff person must review and receive instruction on the safe and correct operation of medical equipment used by the person to sustain life or to monitor a medical condition that could become life-threatening without proper use of the medical equipment, including but not limited to ventilators, feeding tubes, or endotracheal tubes. The training must be provided by a licensed health care professional or a manufacturer's representative and incorporate an observed skill assessment to ensure staff demonstrate the ability to safely and correctly operate the equipment according to the treatment orders and the manufacturer's instructions.

~~(f) The staff person must review and receive instruction on what constitutes use of restraints, time out, and seclusion, including chemical restraint, and staff responsibilities related to the prohibitions of their use according to the requirements in section 245D.06, subdivision 5, why such procedures are not effective for reducing or eliminating symptoms or undesired behavior and why they are not safe, and the safe and correct use of manual restraint on an emergency basis according to the requirements in section 245D.061.~~

~~(g)~~ In the event of an emergency service initiation, the license holder must ensure the training required in this subdivision occurs within 72 hours of the direct support staff person first having unsupervised contact with the person receiving services. The license holder must document the reason for the unplanned or emergency service initiation and maintain the documentation in the person's service recipient record.

~~(h)~~ (g) License holders who provide direct support services themselves must complete the orientation required in subdivision 4, clauses (3) to ~~(7)~~ (10).

Sec. 17. Minnesota Statutes 2013 Supplement, section 245D.09, subdivision 5, is amended to read:

Subd. 5. **Annual training.** A license holder must provide annual training to direct support staff on the topics identified in subdivision 4, clauses (3) to ~~(7)~~, ~~and subdivision 4a (10)~~. A license holder must provide a minimum of 24 hours of annual training to direct service staff ~~with providing intensive services and having~~ fewer than five years of documented experience and 12 hours of annual training to direct service staff ~~with providing intensive services and having~~ five or more years of documented experience in topics described in subdivisions 4 and 4a, paragraphs (a) to ~~(h)~~ (g). Training on relevant topics received from sources other than the license holder may count toward training requirements. A license holder must provide a minimum of 12 hours of annual training to direct service staff providing basic services and having fewer than five years of documented experience and six hours of annual training to direct service staff providing basic services and having five or more years of documented experience.

Sec. 18. Minnesota Statutes 2013 Supplement, section 245D.095, subdivision 3, is amended to read:

Subd. 3. **Service recipient record.** (a) The license holder must maintain a record of current services provided to each person on the premises where the services are provided or coordinated. When the services are provided in a licensed facility, the records must be maintained at the facility, otherwise the records must be maintained at the license holder's program office. The license holder must protect service recipient records against loss, tampering, or unauthorized disclosure according to the requirements in sections 13.01 to 13.10 and 13.46.

(b) The license holder must maintain the following information for each person:

(1) an admission form signed by the person or the person's legal representative that includes:

(i) identifying information, including the person's name, date of birth, address, and telephone number; and

(ii) the name, address, and telephone number of the person's legal representative, if any, and a primary emergency contact, the case manager, and family members or others as identified by the person or case manager;

(2) service information, including service initiation information, verification of the person's eligibility for services, documentation verifying that services have been provided as identified in the coordinated service and support plan or coordinated service and support plan addendum according to paragraph (a), and date of admission or readmission;

(3) health information, including medical history, special dietary needs, and allergies, and when the license holder is assigned responsibility for meeting the person's health service needs according to section 245D.05:

(i) current orders for medication, treatments, or medical equipment and a signed authorization from the person or the person's legal representative to administer or assist in administering the medication or treatments, if applicable;

(ii) a signed statement authorizing the license holder to act in a medical emergency when the person's legal representative, if any, cannot be reached or is delayed in arriving;

(iii) medication administration procedures;

(iv) a medication administration record documenting the implementation of the medication administration procedures, and the medication administration record reviews, including any agreements for administration of injectable medications by the license holder according to the requirements in section 245D.05; and

(v) a medical appointment schedule when the license holder is assigned responsibility for assisting with medical appointments;

(4) the person's current coordinated service and support plan or that portion of the plan assigned to the license holder;

(5) copies of the ~~individual abuse prevention plan and~~ assessments as required under section 245D.071, ~~subdivisions 2 and~~ subdivision 3;

(6) a record of other service providers serving the person when the person's coordinated service and support plan or coordinated service and support plan addendum identifies the need for coordination between the service providers, that includes a contact person and telephone numbers, services being provided, and names of staff responsible for coordination;

(7) documentation of orientation to service recipient rights according to section 245D.04, subdivision 1, and maltreatment reporting policies and procedures according to section 245A.65, subdivision 1, paragraph (c);

(8) copies of authorizations to handle a person's funds, according to section 245D.06, subdivision 4, paragraph (a);

(9) documentation of complaints received and grievance resolution;

(10) incident reports involving the person, required under section 245D.06, subdivision 1;

(11) copies of written reports regarding the person's status when requested according to section 245D.07, subdivision 3, progress review reports as required under section 245D.071, subdivision 5, progress or daily log notes that are recorded by the program, and reports received from other agencies involved in providing services or care to the person; and

(12) discharge summary, including service termination notice and related documentation, when applicable.

Sec. 19. Minnesota Statutes 2013 Supplement, section 245D.22, subdivision 4, is amended to read:

Subd. 4. **First aid must be available on site.** (a) A staff person trained in first aid must be available on site and, when required in a person's coordinated service and support plan or coordinated service and support plan addendum, be able to provide cardiopulmonary resuscitation, whenever persons are present and staff are required to be at the site to provide direct service. The CPR training must include ~~in-person~~ instruction, hands-on practice, and an observed skills assessment under the direct supervision of a CPR instructor.

(b) A facility must have first aid kits readily available for use by, and that meet the needs of, persons receiving services and staff. At a minimum, the first aid kit must be equipped with accessible first aid supplies including bandages, sterile compresses, scissors, an ice bag or cold pack, an oral or surface thermometer, mild liquid soap, adhesive tape, and first aid manual.

Sec. 20. Minnesota Statutes 2013 Supplement, section 245D.31, subdivision 3, is amended to read:

Subd. 3. **Staff ratio requirement for each person receiving services.** The case manager, in consultation with the interdisciplinary team, must determine at least once each year which of the ratios in subdivisions 4, 5, and 6 is appropriate for each person receiving services on the basis of the characteristics described in subdivisions 4, 5, and 6. The ratio assigned each person and the documentation of how the ratio was arrived at must be kept in each person's individual service plan. Documentation must include an assessment of the person with respect to the characteristics in subdivisions 4, 5, and 6 ~~recorded on a standard assessment form required by the commissioner.~~

Sec. 21. Minnesota Statutes 2013 Supplement, section 245D.31, subdivision 4, is amended to read:

Subd. 4. **Person requiring staff ratio of one to four.** A person must be assigned a staff ratio requirement of one to four if:

(1) on a daily basis the person requires total care and monitoring or constant hand-over-hand physical guidance to successfully complete at least three of the following activities: toileting, communicating basic needs, eating, ambulating; ~~or is not capable of taking appropriate action for self-preservation under emergency conditions; or~~

(2) the person engages in conduct that poses an imminent risk of physical harm to self or others at a documented level of frequency, intensity, or duration requiring frequent daily ongoing intervention and monitoring as established in the person's coordinated service and support plan or coordinated service and support plan addendum.

Sec. 22. Minnesota Statutes 2013 Supplement, section 245D.31, subdivision 5, is amended to read:

Subd. 5. **Person requiring staff ratio of one to eight.** A person must be assigned a staff ratio requirement of one to eight if:

(1) the person does not meet the requirements in subdivision 4; and

(2) on a daily basis the person requires verbal prompts or spot checks and minimal or no physical assistance to successfully complete at least ~~four~~ three of the following activities: toileting, communicating basic needs, eating, or ambulating, ~~or taking appropriate action for self-preservation under emergency conditions.~~

Sec. 23. Minnesota Statutes 2012, section 256B.0659, subdivision 11, is amended to read:

Subd. 11. **Personal care assistant; requirements.** (a) A personal care assistant must meet the following requirements:

(1) be at least 18 years of age with the exception of persons who are 16 or 17 years of age with these additional requirements:

(i) supervision by a qualified professional every 60 days; and

(ii) employment by only one personal care assistance provider agency responsible for compliance with current labor laws;

(2) be employed by a personal care assistance provider agency;

(3) enroll with the department as a personal care assistant after clearing a background study. Except as provided in subdivision 11a, before a personal care assistant provides services, the personal care assistance provider agency must initiate a background study on the personal care assistant under chapter 245C, and the personal care assistance provider agency must have received a notice from the commissioner that the personal care assistant is:

(i) not disqualified under section 245C.14; or

(ii) is disqualified, but the personal care assistant has received a set aside of the disqualification under section 245C.22;

(4) be able to effectively communicate with the recipient and personal care assistance provider agency;

(5) be able to provide covered personal care assistance services according to the recipient's personal care assistance care plan, respond appropriately to recipient needs, and report changes in the recipient's condition to the supervising qualified professional or physician;

(6) not be a consumer of personal care assistance services;

(7) maintain daily written records including, but not limited to, time sheets under subdivision 12;

(8) effective January 1, 2010, complete standardized training as determined by the commissioner before completing enrollment. The training must be available in languages other than English and to those who need accommodations due to disabilities. Personal care assistant training must include successful completion of the following training components: basic first aid, vulnerable adult, child maltreatment, OSHA universal precautions, basic roles and responsibilities of personal care assistants including information about assistance with lifting and transfers for recipients, emergency preparedness, orientation to positive behavioral practices, fraud issues, and completion of time sheets. Upon completion of the training components, the personal care assistant must demonstrate the competency to provide assistance to recipients;

(9) complete training and orientation on the needs of the recipient; and

(10) be limited to providing and being paid for up to 275 hours per month of personal care assistance services regardless of the number of recipients being served or the number of personal care assistance provider agencies enrolled with. The number of hours worked per day shall not be disallowed by the department unless in violation of the law.

(b) A legal guardian may be a personal care assistant if the guardian is not being paid for the guardian services and meets the criteria for personal care assistants in paragraph (a).

(c) Persons who do not qualify as a personal care assistant include parents, stepparents, and legal guardians of minors; spouses; paid legal guardians of adults; family foster care providers, except as otherwise allowed in section 256B.0625, subdivision 19a; and staff of a residential setting. ~~When the personal care assistant is a relative of the recipient, the commissioner shall pay 80 percent of the provider rate. This rate reduction is effective July 1, 2013. For purposes of this section, relative means the parent or adoptive parent of an adult child, a sibling aged 16 years or older, an adult child, a grandparent, or a grandchild.~~

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

Sec. 24. Minnesota Statutes 2012, section 256B.0659, subdivision 28, is amended to read:

Subd. 28. **Personal care assistance provider agency; required documentation.** (a) Required documentation must be completed and kept in the personal care assistance provider agency file or the recipient's home residence. The required documentation consists of:

- (1) employee files, including:
 - (i) applications for employment;
 - (ii) background study requests and results;
 - (iii) orientation records about the agency policies;
 - (iv) trainings completed with demonstration of competence;
 - (v) supervisory visits;
 - (vi) evaluations of employment; and
 - (vii) signature on fraud statement;
- (2) recipient files, including:
 - (i) demographics;
 - (ii) emergency contact information and emergency backup plan;
 - (iii) personal care assistance service plan;
 - (iv) personal care assistance care plan;
 - (v) month-to-month service use plan;
 - (vi) all communication records;
 - (vii) start of service information, including the written agreement with recipient; and
 - (viii) date the home care bill of rights was given to the recipient;

(3) agency policy manual, including:

- (i) policies for employment and termination;
- (ii) grievance policies with resolution of consumer grievances;
- (iii) staff and consumer safety;
- (iv) staff misconduct; and

(v) staff hiring, service delivery, staff and consumer safety, staff misconduct, and resolution of consumer grievances;

(4) time sheets for each personal care assistant along with completed activity sheets for each recipient served; and

(5) agency marketing and advertising materials and documentation of marketing activities and costs; ~~and~~

~~(6) for each personal care assistant, whether or not the personal care assistant is providing care to a relative as defined in subdivision 11.~~

(b) The commissioner may assess a fine of up to \$500 on provider agencies that do not consistently comply with the requirements of this subdivision.

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

Sec. 25. Minnesota Statutes 2013 Supplement, section 256B.0922, subdivision 1, is amended to read:

Subdivision 1. **Essential community supports.** (a) The purpose of the essential community supports program is to provide targeted services to persons age 65 and older who need essential community support, but whose needs do not meet the level of care required for nursing facility placement under section 144.0724, subdivision 11.

(b) Essential community supports are available not to exceed \$400 per person per month. Essential community supports may be used as authorized within an authorization period not to exceed 12 months. Services must be available to a person who:

- (1) is age 65 or older;
- (2) is not eligible for medical assistance;
- (3) has received a community assessment under section 256B.0911, subdivision 3a or 3b, and does not require the level of care provided in a nursing facility;
- (4) meets the financial eligibility criteria for the alternative care program under section 256B.0913, subdivision 4;
- (5) has a community support plan; and

(6) has been determined by a community assessment under section 256B.0911, subdivision 3a or 3b, to be a person who would require provision of at least one of the following services, as defined in the approved elderly waiver plan, in order to maintain their community residence:

- (i) caregiver support;

(ii) adult day services;

~~(ii)~~ (iii) homemaker support;

~~(iii)~~ (iv) chores;

~~(iv)~~ (v) a personal emergency response device or system;

~~(v)~~ (vi) home-delivered meals; or

~~(vi)~~ (vii) community living assistance as defined by the commissioner.

(c) The person receiving any of the essential community supports in this subdivision must also receive service coordination, not to exceed \$600 in a 12-month authorization period, as part of their community support plan.

(d) A person who has been determined to be eligible for essential community supports must be reassessed at least annually and continue to meet the criteria in paragraph (b) to remain eligible for essential community supports.

(e) The commissioner is authorized to use federal matching funds for essential community supports as necessary and to meet demand for essential community supports as outlined in subdivision 2, and that amount of federal funds is appropriated to the commissioner for this purpose.

Sec. 26. Minnesota Statutes 2013 Supplement, section 256B.4912, subdivision 10, is amended to read:

Subd. 10. **Enrollment requirements.** ~~All (a) Except as provided in paragraph (b), the following~~ home and community-based waiver providers must provide, at the time of enrollment and within 30 days of a request, in a format determined by the commissioner, information and documentation that includes, ~~but is not limited to, the following:~~

~~(1) proof of surety bond coverage in the amount of \$50,000 or ten percent of the provider's payments from Medicaid in the previous calendar year, whichever is greater;~~

~~(2) proof of fidelity bond coverage in the amount of \$20,000; and~~

~~(3) proof of liability insurance;~~

(1) waiver services providers required to meet the provider standards in chapter 245D;

(2) foster care providers whose services are funded by the elderly waiver or alternative care program;

(3) fiscal support entities;

(4) adult day care providers;

(5) providers of customized living services; and

(6) residential care providers.

(b) Providers of foster care services covered by section 245.814 are exempt from this subdivision.

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

Sec. 27. Minnesota Statutes 2013 Supplement, section 256B.492, is amended to read:

256B.492 HOME AND COMMUNITY-BASED SETTINGS FOR PEOPLE WITH DISABILITIES.

(a) Individuals receiving services under a home and community-based waiver under section 256B.092 or 256B.49 may receive services in the following settings:

(1) an individual's own home or family home;

(2) a licensed adult foster care or child foster care setting of up to five people or community residential setting of up to five people; and

(3) community living settings as defined in section 256B.49, subdivision 23, where individuals with disabilities may reside in all of the units in a building of four or fewer units, and no more than the greater of four or 25 percent of the units in a multifamily building of more than four units, unless required by the Housing Opportunities for Persons with AIDS Program.

(b) The settings in paragraph (a) must not:

(1) be located in a building that is a publicly or privately operated facility that provides institutional treatment or custodial care;

(2) be located in a building on the grounds of or adjacent to a public or private institution;

(3) be a housing complex designed expressly around an individual's diagnosis or disability, unless required by the Housing Opportunities for Persons with AIDS Program;

(4) be segregated based on a disability, either physically or because of setting characteristics, from the larger community; and

(5) have the qualities of an institution which include, but are not limited to: regimented meal and sleep times, limitations on visitors, and lack of privacy. Restrictions agreed to and documented in the person's individual service plan shall not result in a residence having the qualities of an institution as long as the restrictions for the person are not imposed upon others in the same residence and are the least restrictive alternative, imposed for the shortest possible time to meet the person's needs.

(c) The provisions of paragraphs (a) and (b) do not apply to any setting in which individuals receive services under a home and community-based waiver as of July 1, 2012, and the setting does not meet the criteria of this section.

(d) Notwithstanding paragraph (c), a program in Hennepin County established as part of a Hennepin County demonstration project is qualified for the exception allowed under paragraph (c).

(e) The commissioner shall submit an amendment to the waiver plan no later than December 31, 2012.

Sec. 28. Minnesota Statutes 2012, section 256B.493, subdivision 1, is amended to read:

Subdivision 1. **Commissioner's duties; report.** The commissioner of human services shall solicit proposals for the conversion of services provided for persons with disabilities in settings licensed under Minnesota Rules, parts

9555.5105 to 9555.6265, or community residential settings licensed under chapter 245D, to other types of community settings in conjunction with the closure of identified licensed adult foster care settings.

Sec. 29. Minnesota Statutes 2012, section 256D.01, subdivision 1e, is amended to read:

Subd. 1e. **Rules regarding emergency assistance.** The commissioner shall adopt rules under the terms of sections 256D.01 to 256D.21 for general assistance, to require use of the emergency program under MFIP as the primary financial resource when available. The commissioner shall adopt rules for eligibility for general assistance of persons with seasonal income and may attribute seasonal income to other periods not in excess of one year from receipt by an applicant or recipient. General assistance payments may not be made for foster care, community residential settings licensed under chapter 245D, child welfare services, or other social services. Vendor payments and vouchers may be issued only as authorized in sections 256D.05, subdivision 6, and 256D.09.

Sec. 30. Minnesota Statutes 2012, section 256G.02, subdivision 6, is amended to read:

Subd. 6. **Excluded time.** "Excluded time" means:

(1) any period an applicant spends in a hospital, sanitarium, nursing home, shelter other than an emergency shelter, halfway house, foster home, community residential setting licensed under chapter 245D, semi-independent living domicile or services program, residential facility offering care, board and lodging facility or other institution for the hospitalization or care of human beings, as defined in section 144.50, 144A.01, or 245A.02, subdivision 14; maternity home, battered women's shelter, or correctional facility; or any facility based on an emergency hold under sections 253B.05, subdivisions 1 and 2, and 253B.07, subdivision 6;

(2) any period an applicant spends on a placement basis in a training and habilitation program, including: a rehabilitation facility or work or employment program as defined in section 268A.01; semi-independent living services provided under section 252.275, and Minnesota Rules, parts 9525.0500 to 9525.0660; or day training and habilitation programs and assisted living services; and

(3) any placement for a person with an indeterminate commitment, including independent living.

Sec. 31. Minnesota Statutes 2012, section 256I.03, subdivision 3, is amended to read:

Subd. 3. **Group residential housing.** "Group residential housing" means a group living situation that provides at a minimum room and board to unrelated persons who meet the eligibility requirements of section 256I.04. This definition includes foster care settings or community residential settings for a single adult. To receive payment for a group residence rate, the residence must meet the requirements under section 256I.04, subdivision 2a.

Sec. 32. Minnesota Statutes 2012, section 256I.04, subdivision 2a, is amended to read:

Subd. 2a. **License required.** A county agency may not enter into an agreement with an establishment to provide group residential housing unless:

(1) the establishment is licensed by the Department of Health as a hotel and restaurant; a board and lodging establishment; a residential care home; a boarding care home before March 1, 1985; or a supervised living facility, and the service provider for residents of the facility is licensed under chapter 245A. However, an establishment licensed by the Department of Health to provide lodging need not also be licensed to provide board if meals are being supplied to residents under a contract with a food vendor who is licensed by the Department of Health;

(2) the residence is: (i) licensed by the commissioner of human services under Minnesota Rules, parts 9555.5050 to 9555.6265; (ii) certified by a county human services agency prior to July 1, 1992, using the standards under Minnesota Rules, parts 9555.5050 to 9555.6265; ~~or~~ (iii) a residence licensed by the commissioner under

Minnesota Rules, parts 2960.0010 to 2960.0120, with a variance under section 245A.04, subdivision 9; or (iv) licensed by the commissioner of human services under chapter 245D;

(3) the establishment is registered under chapter 144D and provides three meals a day, or is an establishment voluntarily registered under section 144D.025 as a supportive housing establishment; or

(4) an establishment voluntarily registered under section 144D.025, other than a supportive housing establishment under clause (3), is not eligible to provide group residential housing.

The requirements under clauses (1) to (4) do not apply to establishments exempt from state licensure because they are located on Indian reservations and subject to tribal health and safety requirements.

Sec. 33. Minnesota Statutes 2013 Supplement, section 626.557, subdivision 9, is amended to read:

Subd. 9. **Common entry point designation.** (a) Each county board shall designate a common entry point for reports of suspected maltreatment, for use until the commissioner of human services establishes a common entry point. Two or more county boards may jointly designate a single common entry point. The commissioner of human services shall establish a common entry point effective ~~July 1, 2014~~ no sooner than January 1, 2015. The common entry point is the unit responsible for receiving the report of suspected maltreatment under this section.

(b) The common entry point must be available 24 hours per day to take calls from reporters of suspected maltreatment. The common entry point shall use a standard intake form that includes:

- (1) the time and date of the report;
- (2) the name, address, and telephone number of the person reporting;
- (3) the time, date, and location of the incident;
- (4) the names of the persons involved, including but not limited to, perpetrators, alleged victims, and witnesses;
- (5) whether there was a risk of imminent danger to the alleged victim;
- (6) a description of the suspected maltreatment;
- (7) the disability, if any, of the alleged victim;
- (8) the relationship of the alleged perpetrator to the alleged victim;
- (9) whether a facility was involved and, if so, which agency licenses the facility;
- (10) any action taken by the common entry point;
- (11) whether law enforcement has been notified;
- (12) whether the reporter wishes to receive notification of the initial and final reports; and
- (13) if the report is from a facility with an internal reporting procedure, the name, mailing address, and telephone number of the person who initiated the report internally.

(c) The common entry point is not required to complete each item on the form prior to dispatching the report to the appropriate lead investigative agency.

(d) The common entry point shall immediately report to a law enforcement agency any incident in which there is reason to believe a crime has been committed.

(e) If a report is initially made to a law enforcement agency or a lead investigative agency, those agencies shall take the report on the appropriate common entry point intake forms and immediately forward a copy to the common entry point.

(f) The common entry point staff must receive training on how to screen and dispatch reports efficiently and in accordance with this section.

(g) The commissioner of human services shall maintain a centralized database for the collection of common entry point data, lead investigative agency data including maltreatment report disposition, and appeals data. The common entry point shall have access to the centralized database and must log the reports into the database and immediately identify and locate prior reports of abuse, neglect, or exploitation.

(h) When appropriate, the common entry point staff must refer calls that do not allege the abuse, neglect, or exploitation of a vulnerable adult to other organizations that might resolve the reporter's concerns.

(i) A common entry point must be operated in a manner that enables the commissioner of human services to:

(1) track critical steps in the reporting, evaluation, referral, response, disposition, and investigative process to ensure compliance with all requirements for all reports;

(2) maintain data to facilitate the production of aggregate statistical reports for monitoring patterns of abuse, neglect, or exploitation;

(3) serve as a resource for the evaluation, management, and planning of preventative and remedial services for vulnerable adults who have been subject to abuse, neglect, or exploitation;

(4) set standards, priorities, and policies to maximize the efficiency and effectiveness of the common entry point; and

(5) track and manage consumer complaints related to the common entry point.

(j) The commissioners of human services and health shall collaborate on the creation of a system for referring reports to the lead investigative agencies. This system shall enable the commissioner of human services to track critical steps in the reporting, evaluation, referral, response, disposition, investigation, notification, determination, and appeal processes.

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

Sec. 34. Laws 2011, First Special Session chapter 9, article 7, section 7, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective January 1, 2014, for adults age 21 or older, and October 1, 2019, for children ~~age 16 to~~ before the child's 21st birthday.

Sec. 35. Laws 2013, chapter 108, article 7, section 60, is amended to read:

Sec. 60. **PROVIDER RATE AND GRANT INCREASE EFFECTIVE APRIL 1, 2014.**

(a) The commissioner of human services shall increase reimbursement rates, grants, allocations, individual limits, and rate limits, as applicable, by one percent for the rate period beginning April 1, 2014, for services rendered on or after those dates. County or tribal contracts for services specified in this section must be amended to pass through these rate increases within 60 days of the effective date.

(b) The rate changes described in this section must be provided to:

(1) home and community-based waived services for persons with developmental disabilities or related conditions, including consumer-directed community supports, under Minnesota Statutes, section 256B.501;

(2) waived services under community alternatives for disabled individuals, including consumer-directed community supports, under Minnesota Statutes, section 256B.49;

(3) community alternative care waived services, including consumer-directed community supports, under Minnesota Statutes, section 256B.49;

(4) brain injury waived services, including consumer-directed community supports, under Minnesota Statutes, section 256B.49;

(5) home and community-based waived services for the elderly under Minnesota Statutes, section 256B.0915;

(6) nursing services and home health services under Minnesota Statutes, section 256B.0625, subdivision 6a;

(7) personal care services and qualified professional supervision of personal care services under Minnesota Statutes, section 256B.0625, subdivisions 6a and 19a;

(8) private duty nursing services under Minnesota Statutes, section 256B.0625, subdivision 7;

(9) day training and habilitation services for adults with developmental disabilities or related conditions under Minnesota Statutes, sections 252.40 to 252.46, including the additional cost of rate adjustments on day training and habilitation services, provided as a social service, formerly funded under Minnesota Statutes 2010, chapter 256M;

(10) alternative care services under Minnesota Statutes, section 256B.0913, and essential community supports under Minnesota Statutes, section 256B.0922;

(11) living skills training programs for persons with intractable epilepsy who need assistance in the transition to independent living under Laws 1988, chapter 689;

(12) semi-independent living services (SILS) under Minnesota Statutes, section 252.275, including SILS funding under county social services grants formerly funded under Minnesota Statutes, chapter 256M;

(13) consumer support grants under Minnesota Statutes, section 256.476;

(14) family support grants under Minnesota Statutes, section 252.32;

(15) housing access grants under Minnesota Statutes, sections 256B.0658 and 256B.0917, subdivision 14;

(16) self-advocacy grants under Laws 2009, chapter 101;

(17) technology grants under Laws 2009, chapter 79;

(18) aging grants under Minnesota Statutes, sections 256.975 to 256.977, 256B.0917, and 256B.0928; and

(19) community support services for deaf and hard-of-hearing adults with mental illness who use or wish to use sign language as their primary means of communication under Minnesota Statutes, section 256.01, subdivision 2; and deaf and hard-of-hearing grants under Minnesota Statutes, sections 256C.233 and 256C.25; Laws 1985, chapter 9; and Laws 1997, First Special Session chapter 5, section 20.

(c) A managed care plan receiving state payments for the services in this section must include these increases in their payments to providers. To implement the rate increase in this section, capitation rates paid by the commissioner to managed care organizations under Minnesota Statutes, section 256B.69, shall reflect a one percent increase for the specified services for the period beginning April 1, 2014.

(d) Counties shall increase the budget for each recipient of consumer-directed community supports by the amounts in paragraph (a) on the effective dates in paragraph (a).

EFFECTIVE DATE. This section is effective retroactively from April 1, 2014.

Sec. 36. **AUTISM SPECTRUM DISORDER STATEWIDE STRATEGIC PLAN IMPLEMENTATION.**

The autism spectrum disorder statewide strategic plan developed by the Minnesota Legislative Autism Spectrum Disorder Task Force shall be implemented collaboratively by the commissioners of education, employment and economic development, health, and human services. The commissioners shall:

(1) work across state agencies and with key stakeholders to implement the strategic plan;

(2) prepare progress reports on the implementation of the plan twice per year and make the progress reports available to the public; and

(3) provide two opportunities per year for interested parties, including, but not limited to, individuals with autism, family members of individuals with autism spectrum disorder, underserved and diverse communities impacted by autism spectrum disorder, medical professionals, health plans, service providers, and schools, to provide input on the implementation of the strategic plan.

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

Sec. 37. **REPEALER.**

(a) Minnesota Statutes 2013 Supplement, section 245D.071, subdivision 2, is repealed.

(b) Laws 2011, First Special Session chapter 9, article 6, section 95, subdivisions 1, 2, 3, and 4, are repealed effective the day following final enactment.

ARTICLE 9
HEALTH CARE

Section 1. Minnesota Statutes 2012, section 256B.0654, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) "~~Complex private-duty home care nursing care~~" means home care nursing services provided to recipients who are ventilator dependent or for whom a physician has certified that the recipient would meet the criteria for inpatient hospital intensive care unit (ICU) level of care meet the criteria for regular home care nursing and require life-sustaining interventions to reduce the risk of long-term injury or death.

(b) "~~Private-duty Home care nursing~~" means ongoing professional physician-ordered hourly nursing services by a registered or licensed practical nurse including assessment, professional nursing tasks, and education, based on an assessment and physician orders to maintain or restore optimal health of the recipient. performed by a registered nurse or licensed practical nurse within the scope of practice as defined by the Minnesota Nurse Practice Act under sections 148.171 to 148.285, in order to maintain or restore a person's health.

(c) "~~Private-duty Home care nursing agency~~" means a medical assistance enrolled provider licensed under chapter 144A to provide private-duty home care nursing services.

(d) "~~Regular private-duty home care nursing~~" means nursing services provided to a recipient who is considered stable and not at an inpatient hospital intensive care unit level of care, but may have episodes of instability that are not life threatening home care nursing provided because:

(1) the recipient requires more individual and continuous care than can be provided during a skilled nurse visit; or

(2) the cares are outside of the scope of services that can be provided by a home health aide or personal care assistant.

(e) "~~Shared private-duty home care nursing~~" means the provision of home care nursing services by a private-duty home care nurse to two recipients at the same time and in the same setting.

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 2. Minnesota Statutes 2012, section 256B.0751, is amended by adding a subdivision to read:

Subd. 10. Health care homes advisory committee. (a) The commissioners of health and human services shall establish a health care homes advisory committee to advise the commissioners on the ongoing statewide implementation of the health care homes program authorized in this section.

(b) The commissioners shall establish an advisory committee that includes representatives of the health care professions such as primary care providers; mental health providers; nursing and care coordinators; certified health care home clinics with statewide representation; health plan companies; state agencies; employers; academic researchers; consumers; and organizations that work to improve health care quality in Minnesota. At least 25 percent of the committee members must be consumers or patients in health care homes.

(c) The advisory committee shall advise the commissioners on ongoing implementation of the health care homes program, including, but not limited to, the following activities:

(1) implementation of certified health care homes across the state on performance management and implementation of benchmarking;

(2) implementation of modifications to the health care homes program based on results of the legislatively mandated health care home evaluation;

(3) statewide solutions for engagement of employers and commercial payers;

(4) potential modifications of the health care home rules or statutes;

(5) consumer engagement, including patient and family-centered care, patient activation in health care, and shared decision making;

(6) oversight for health care home subject matter task forces or workgroups; and

(7) other related issues as requested by the commissioners.

(d) The advisory committee shall have the ability to establish subcommittees on specific topics. The advisory committee is governed by section 15.059. Notwithstanding section 15.059, the advisory committee does not expire.

Sec. 3. Minnesota Statutes 2012, section 256B.69, is amended by adding a subdivision to read:

Subd. 35. **Statewide procurement.** (a) For calendar year 2015, the commissioner may extend a demonstration provider's contract under this section for a sixth year after the most recent procurement. For calendar year 2015, section 16B.98, subdivision 5, paragraph (b), and section 16C.05, subdivision 2, paragraph (b) shall not apply to contracts under this section.

(b) For calendar year 2016 contracts under this section, the commissioner shall procure through a statewide procurement, which includes all 87 counties, demonstration providers, and participating entities as defined in section 256L.01, subdivision 7. The commissioner shall publish a request for proposals by January 5, 2015. As part of the procurement process, the commissioner shall:

(1) seek individual county's input regarding the respondent's network of health care providers;

(2) organize counties into regional groups, or single counties for the largest and most diverse counties, and seek each regional group's or county's input regarding the respondent's ability to fully and adequately deliver required health care services; and

(3) use a scoring system for evaluating respondents that at least considers:

(i) the degree to which a respondent's health care provider network is contracted through total-cost-of-care contracts, risk-sharing arrangements, or other payment reforms designed to generate long-term savings;

(ii) the degree to which a respondent has demonstrated mechanisms and processes to achieve integration of medical care, behavioral health care, and county social services, taking into account county input on the respondent's performance on these measures;

(iii) the degree to which a respondent has a comprehensive quality program that is designed to ensure enrollee access to appropriate, high-quality, coordinated services;

(iv) each county's input regarding a respondent's network of health care providers;

(v) the demonstrated ability to respond to the needs of special populations within that geographic area and to have sufficient capacity to serve populations with unique language, cultural, or other needs;

(vi) the degree to which the respondent is willing to commit to sufficient capacity in its network to meet the demand for evening and weekend appointments for populations unable to leave work for basic primary care;

(vii) regional county group's input regarding a respondent's ability to fully and adequately deliver required health care services;

(viii) a respondent's past performance on administrative requirements;

(ix) a respondent's ability to assist an enrollee who may be transitioning between public health care programs and premium tax credits in the individual insurance market;

(x) the total cost of a respondent's proposal; and

(xi) any other criteria that the commissioner finds necessary to ensure compliance with federal law or to ensure that enrollees receive high-quality health care.

Sec. 4. Minnesota Statutes 2013 Supplement, section 256B.766, is amended to read:

256B.766 REIMBURSEMENT FOR BASIC CARE SERVICES.

(a) Effective for services provided on or after July 1, 2009, total payments for basic care services, shall be reduced by three percent, except that for the period July 1, 2009, through June 30, 2011, total payments shall be reduced by 4.5 percent for the medical assistance and general assistance medical care programs, prior to third-party liability and spenddown calculation. Effective July 1, 2010, the commissioner shall classify physical therapy services, occupational therapy services, and speech-language pathology and related services as basic care services. The reduction in this paragraph shall apply to physical therapy services, occupational therapy services, and speech-language pathology and related services provided on or after July 1, 2010.

(b) Payments made to managed care plans and county-based purchasing plans shall be reduced for services provided on or after October 1, 2009, to reflect the reduction effective July 1, 2009, and payments made to the plans shall be reduced effective October 1, 2010, to reflect the reduction effective July 1, 2010.

(c) Effective for services provided on or after September 1, 2011, through June 30, 2013, total payments for outpatient hospital facility fees shall be reduced by five percent from the rates in effect on August 31, 2011.

(d) Effective for services provided on or after September 1, 2011, through June 30, 2013, total payments for ambulatory surgery centers facility fees, medical supplies and durable medical equipment not subject to a volume purchase contract, prosthetics and orthotics, renal dialysis services, laboratory services, public health nursing services, physical therapy services, occupational therapy services, speech therapy services, eyeglasses not subject to a volume purchase contract, hearing aids not subject to a volume purchase contract, and anesthesia services shall be reduced by three percent from the rates in effect on August 31, 2011.

(e) Effective for services provided on or after September 1, 2014, payments for ambulatory surgery centers facility fees, medical supplies and durable medical equipment not subject to a volume purchase contract, prosthetics and orthotics, hospice services, renal dialysis services, laboratory services, public health nursing services, eyeglasses not subject to a volume purchase contract, and hearing aids not subject to a volume purchase contract shall be increased by three percent and payments for outpatient hospital facility fees shall be increased by three percent. Payments made to managed care plans and county-based purchasing plans shall not be adjusted to reflect payments under this paragraph.

(f) This section does not apply to physician and professional services, inpatient hospital services, family planning services, mental health services, dental services, prescription drugs, medical transportation, federally qualified health centers, rural health centers, Indian health services, and Medicare cost-sharing.

(g) Effective January 1, 2015, for purposes of this section, "basic care services" means: ambulatory surgical center facility services, medical supplies and durable medical equipment not subject to a volume purchase contract, prosthetics and orthotics, renal dialysis services, laboratory services, public health nursing services, eyeglasses and contacts not subject to a volume purchase contract, hearing aids not subject to a volume purchase contract, outpatient hospital facility services, and anesthesia services. For purposes of medical assistance and MinnesotaCare payment adjustments effective on or after January 1, 2015, the commissioner shall not classify medical supplies, durable medical equipment, prosthetics, and orthotics in any service category other than basic care services.

Sec. 5. **DIRECTION TO COMMISSIONER; STRATEGIES TO ADDRESS CHRONIC CONDITIONS.**

The commissioner of human services shall incorporate strategies and activities in the Department of Human Service's planning efforts and design of the state Medicaid plan option under section 2703 of the Patient Protection and Affordable Care Act that address chronic medical or behavioral health conditions complicated by socioeconomic factors such as race, ethnicity, age, immigration, or language.

Sec. 6. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall change the term "private duty nursing" or similar terms to "home care nursing" or similar terms, and shall change the term "private duty nurse" to "home care nurse," wherever these terms appear in Minnesota Statutes and Minnesota Rules. The revisor shall also make grammatical changes related to the changes in terms.

ARTICLE 10
MISCELLANEOUS

Section 1. Minnesota Statutes 2013 Supplement, section 256B.04, subdivision 21, is amended to read:

Subd. 21. **Provider enrollment.** (a) If the commissioner or the Centers for Medicare and Medicaid Services determines that a provider is designated "high-risk," the commissioner may withhold payment from providers within that category upon initial enrollment for a 90-day period. The withholding for each provider must begin on the date of the first submission of a claim.

(b) An enrolled provider that is also licensed by the commissioner under chapter 245A must designate an individual as the entity's compliance officer. The compliance officer must:

(1) develop policies and procedures to assure adherence to medical assistance laws and regulations and to prevent inappropriate claims submissions;

(2) train the employees of the provider entity, and any agents or subcontractors of the provider entity including billers, on the policies and procedures under clause (1);

(3) respond to allegations of improper conduct related to the provision or billing of medical assistance services, and implement action to remediate any resulting problems;

(4) use evaluation techniques to monitor compliance with medical assistance laws and regulations;

(5) promptly report to the commissioner any identified violations of medical assistance laws or regulations; and

(6) within 60 days of discovery by the provider of a medical assistance reimbursement overpayment, report the overpayment to the commissioner and make arrangements with the commissioner for the commissioner's recovery of the overpayment.

The commissioner may require, as a condition of enrollment in medical assistance, that a provider within a particular industry sector or category establish a compliance program that contains the core elements established by the Centers for Medicare and Medicaid Services.

(c) The commissioner may revoke the enrollment of an ordering or rendering provider for a period of not more than one year, if the provider fails to maintain and, upon request from the commissioner, provide access to documentation relating to written orders or requests for payment for durable medical equipment, certifications for home health services, or referrals for other items or services written or ordered by such provider, when the commissioner has identified a pattern of a lack of documentation. A pattern means a failure to maintain documentation or provide access to documentation on more than one occasion. Nothing in this paragraph limits the authority of the commissioner to sanction a provider under the provisions of section 256B.064.

(d) The commissioner shall terminate or deny the enrollment of any individual or entity if the individual or entity has been terminated from participation in Medicare or under the Medicaid program or Children's Health Insurance Program of any other state.

(e) As a condition of enrollment in medical assistance, the commissioner shall require that a provider designated "moderate" or "high-risk" by the Centers for Medicare and Medicaid Services or the commissioner permit the Centers for Medicare and Medicaid Services, its agents, or its designated contractors and the state agency, its agents, or its designated contractors to conduct unannounced on-site inspections of any provider location. The commissioner shall publish in the Minnesota Health Care Program Provider Manual a list of provider types designated "limited," "moderate," or "high-risk," based on the criteria and standards used to designate Medicare providers in Code of Federal Regulations, title 42, section 424.518. The list and criteria are not subject to the requirements of chapter 14. The commissioner's designations are not subject to administrative appeal.

(f) As a condition of enrollment in medical assistance, the commissioner shall require that a high-risk provider, or a person with a direct or indirect ownership interest in the provider of five percent or higher, consent to criminal background checks, including fingerprinting, when required to do so under state law or by a determination by the commissioner or the Centers for Medicare and Medicaid Services that a provider is designated high-risk for fraud, waste, or abuse.

(g)(1) Upon initial enrollment, reenrollment, and notification of revalidation, all durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) medical suppliers meeting the durable medical equipment provider and supplier definition in clause (3), operating in Minnesota and receiving Medicaid funds must purchase a surety bond that is annually renewed and designates the Minnesota Department of Human Services as the obligee, and must be submitted in a form approved by the commissioner. For purposes of this clause, the following medical suppliers are not required to obtain a surety bond: a federally qualified health center, a home health agency, the Indian Health Service, a pharmacy, and a rural health clinic.

(2) At the time of initial enrollment or reenrollment, ~~the provider agency~~ durable medical equipment providers and suppliers defined in clause (3) must purchase a ~~performance~~ surety bond of \$50,000. If a revalidating provider's Medicaid revenue in the previous calendar year is up to and including \$300,000, the provider agency must purchase a ~~performance~~ surety bond of \$50,000. If a revalidating provider's Medicaid revenue in the previous calendar year is over \$300,000, the provider agency must purchase a ~~performance~~ surety bond of \$100,000. The ~~performance~~ surety bond must allow for recovery of costs and fees in pursuing a claim on the bond.

(3) "Durable medical equipment provider or supplier" means a medical supplier that can purchase medical equipment or supplies for sale or rental to the general public and is able to perform or arrange for necessary repairs to and maintenance of equipment offered for sale or rental.

(h) The Department of Human Services may require a provider to purchase a ~~performance~~ surety bond as a condition of initial enrollment, reenrollment, reinstatement, or continued enrollment if: (1) the provider fails to demonstrate financial viability, (2) the department determines there is significant evidence of or potential for fraud and abuse by the provider, or (3) the provider or category of providers is designated high-risk pursuant to paragraph (a) and as per Code of Federal Regulations, title 42, section 455.450. The ~~performance~~ surety bond must be in an amount of \$100,000 or ten percent of the provider's payments from Medicaid during the immediately preceding 12 months, whichever is greater. The ~~performance~~ surety bond must name the Department of Human Services as an obligee and must allow for recovery of costs and fees in pursuing a claim on the bond. This paragraph does not apply if the provider already maintains a surety bond that meets the specifications of another surety bond requirement in this chapter.

Sec. 2. Minnesota Statutes 2013 Supplement, section 256B.0659, subdivision 21, is amended to read:

Subd. 21. Requirements for provider enrollment of personal care assistance provider agencies. (a) All personal care assistance provider agencies must provide, at the time of enrollment, reenrollment, and revalidation as a personal care assistance provider agency in a format determined by the commissioner, information and documentation that includes, but is not limited to, the following:

(1) the personal care assistance provider agency's current contact information including address, telephone number, and e-mail address;

(2) proof of surety bond coverage. Upon new enrollment, or if the provider's Medicaid revenue in the previous calendar year is up to and including \$300,000, the provider agency must purchase a ~~performance~~ surety bond of \$50,000. If the Medicaid revenue in the previous year is over \$300,000, the provider agency must purchase a ~~performance~~ surety bond of \$100,000. The ~~performance~~ surety bond must be in a form approved by the commissioner, must be renewed annually, and must allow for recovery of costs and fees in pursuing a claim on the bond;

(3) proof of fidelity bond coverage in the amount of \$20,000;

(4) proof of workers' compensation insurance coverage;

(5) proof of liability insurance;

(6) a description of the personal care assistance provider agency's organization identifying the names of all owners, managing employees, staff, board of directors, and the affiliations of the directors, owners, or staff to other service providers;

(7) a copy of the personal care assistance provider agency's written policies and procedures including: hiring of employees; training requirements; service delivery; and employee and consumer safety including process for notification and resolution of consumer grievances, identification and prevention of communicable diseases, and employee misconduct;

(8) copies of all other forms the personal care assistance provider agency uses in the course of daily business including, but not limited to:

(i) a copy of the personal care assistance provider agency's time sheet if the time sheet varies from the standard time sheet for personal care assistance services approved by the commissioner, and a letter requesting approval of the personal care assistance provider agency's nonstandard time sheet;

(ii) the personal care assistance provider agency's template for the personal care assistance care plan; and

(iii) the personal care assistance provider agency's template for the written agreement in subdivision 20 for recipients using the personal care assistance choice option, if applicable;

(9) a list of all training and classes that the personal care assistance provider agency requires of its staff providing personal care assistance services;

(10) documentation that the personal care assistance provider agency and staff have successfully completed all the training required by this section;

(11) documentation of the agency's marketing practices;

(12) disclosure of ownership, leasing, or management of all residential properties that is used or could be used for providing home care services;

(13) documentation that the agency will use the following percentages of revenue generated from the medical assistance rate paid for personal care assistance services for employee personal care assistant wages and benefits: 72.5 percent of revenue in the personal care assistance choice option and 72.5 percent of revenue from other personal care assistance providers. The revenue generated by the qualified professional and the reasonable costs associated with the qualified professional shall not be used in making this calculation; and

(14) effective May 15, 2010, documentation that the agency does not burden recipients' free exercise of their right to choose service providers by requiring personal care assistants to sign an agreement not to work with any particular personal care assistance recipient or for another personal care assistance provider agency after leaving the agency and that the agency is not taking action on any such agreements or requirements regardless of the date signed.

(b) Personal care assistance provider agencies shall provide the information specified in paragraph (a) to the commissioner at the time the personal care assistance provider agency enrolls as a vendor or upon request from the commissioner. The commissioner shall collect the information specified in paragraph (a) from all personal care assistance providers beginning July 1, 2009.

(c) All personal care assistance provider agencies shall require all employees in management and supervisory positions and owners of the agency who are active in the day-to-day management and operations of the agency to complete mandatory training as determined by the commissioner before enrollment of the agency as a provider. Employees in management and supervisory positions and owners who are active in the day-to-day operations of an agency who have completed the required training as an employee with a personal care assistance provider agency do not need to repeat the required training if they are hired by another agency, if they have completed the training within the past three years. By September 1, 2010, the required training must be available with meaningful access according to title VI of the Civil Rights Act and federal regulations adopted under that law or any guidance from the United States Health and Human Services Department. The required training must be available online or by electronic remote connection. The required training must provide for competency testing. Personal care assistance provider agency billing staff shall complete training about personal care assistance program financial management. This training is effective July 1, 2009. Any personal care assistance provider agency enrolled before that date shall, if it has not already, complete the provider training within 18 months of July 1, 2009. Any new owners or employees in management and supervisory positions involved in the day-to-day operations are required to complete mandatory training as a requisite of working for the agency. Personal care assistance provider agencies certified for

participation in Medicare as home health agencies are exempt from the training required in this subdivision. When available, Medicare-certified home health agency owners, supervisors, or managers must successfully complete the competency test.

Sec. 3. Minnesota Statutes 2012, section 256B.5016, subdivision 1, is amended to read:

Subdivision 1. **Managed care pilot.** The commissioner may initiate a capitated risk-based managed care option for services in an intermediate care facility for persons with developmental disabilities according to the terms and conditions of the federal agreement governing the managed care pilot. The commissioner may grant a variance to any of the provisions in sections 256B.501 to 256B.5015 and Minnesota Rules, parts 9525.1200 to 9525.1330 ~~and 9525.1580.~~

Sec. 4. Minnesota Statutes 2012, section 256B.69, subdivision 16, is amended to read:

Subd. 16. **Project extension.** Minnesota Rules, parts 9500.1450; 9500.1451; 9500.1452; 9500.1453; 9500.1454; 9500.1455; ~~9500.1456;~~ 9500.1457; 9500.1458; 9500.1459; 9500.1460; 9500.1461; 9500.1462; 9500.1463; and 9500.1464, are extended.

Sec. 5. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 12, is amended to read:

Subd. 12. **Requirements for enrollment of CFSS provider agencies.** (a) All CFSS provider agencies must provide, at the time of enrollment, reenrollment, and revalidation as a CFSS provider agency in a format determined by the commissioner, information and documentation that includes, but is not limited to, the following:

- (1) the CFSS provider agency's current contact information including address, telephone number, and e-mail address;
- (2) proof of surety bond coverage. Upon new enrollment, or if the provider agency's Medicaid revenue in the previous calendar year is less than or equal to \$300,000, the provider agency must purchase a ~~performance~~ surety bond of \$50,000. If the provider agency's Medicaid revenue in the previous calendar year is greater than \$300,000, the provider agency must purchase a ~~performance~~ surety bond of \$100,000. The ~~performance~~ surety bond must be in a form approved by the commissioner, must be renewed annually, and must allow for recovery of costs and fees in pursuing a claim on the bond;
- (3) proof of fidelity bond coverage in the amount of \$20,000;
- (4) proof of workers' compensation insurance coverage;
- (5) proof of liability insurance;
- (6) a description of the CFSS provider agency's organization identifying the names of all owners, managing employees, staff, board of directors, and the affiliations of the directors, owners, or staff to other service providers;
- (7) a copy of the CFSS provider agency's written policies and procedures including: hiring of employees; training requirements; service delivery; and employee and consumer safety including process for notification and resolution of consumer grievances, identification and prevention of communicable diseases, and employee misconduct;
- (8) copies of all other forms the CFSS provider agency uses in the course of daily business including, but not limited to:

(i) a copy of the CFSS provider agency's time sheet if the time sheet varies from the standard time sheet for CFSS services approved by the commissioner, and a letter requesting approval of the CFSS provider agency's nonstandard time sheet; and

(ii) the CFSS provider agency's template for the CFSS care plan;

(9) a list of all training and classes that the CFSS provider agency requires of its staff providing CFSS services;

(10) documentation that the CFSS provider agency and staff have successfully completed all the training required by this section;

(11) documentation of the agency's marketing practices;

(12) disclosure of ownership, leasing, or management of all residential properties that are used or could be used for providing home care services;

(13) documentation that the agency will use at least the following percentages of revenue generated from the medical assistance rate paid for CFSS services for employee personal care assistant wages and benefits: 72.5 percent of revenue from CFSS providers. The revenue generated by the support specialist and the reasonable costs associated with the support specialist shall not be used in making this calculation; and

(14) documentation that the agency does not burden recipients' free exercise of their right to choose service providers by requiring personal care assistants to sign an agreement not to work with any particular CFSS recipient or for another CFSS provider agency after leaving the agency and that the agency is not taking action on any such agreements or requirements regardless of the date signed.

(b) CFSS provider agencies shall provide to the commissioner the information specified in paragraph (a).

(c) All CFSS provider agencies shall require all employees in management and supervisory positions and owners of the agency who are active in the day-to-day management and operations of the agency to complete mandatory training as determined by the commissioner. Employees in management and supervisory positions and owners who are active in the day-to-day operations of an agency who have completed the required training as an employee with a CFSS provider agency do not need to repeat the required training if they are hired by another agency, if they have completed the training within the past three years. CFSS provider agency billing staff shall complete training about CFSS program financial management. Any new owners or employees in management and supervisory positions involved in the day-to-day operations are required to complete mandatory training as a requisite of working for the agency. CFSS provider agencies certified for participation in Medicare as home health agencies are exempt from the training required in this subdivision.

Sec. 6. Minnesota Statutes 2012, section 393.01, subdivision 2, is amended to read:

Subd. 2. **Selection of members, terms, vacancies.** Except in counties which contain a city of the first class and counties having a poor and hospital commission, the local social services agency shall consist of seven members, including the board of county commissioners, to be selected as herein provided; two members, one of whom shall be a woman, shall be appointed by the ~~commissioner of human services~~ board of county commissioners, one each year for a full term of two years, from a list of residents, ~~submitted by the board of county commissioners~~. As each term expires or a vacancy occurs by reason of death or resignation, a successor shall be appointed by the ~~commissioner of human services~~ board of county commissioners for the full term of two years or the balance of any unexpired term from a list of one or more, not to exceed three residents ~~submitted by the board of county commissioners~~. The board of county commissioners may, by resolution adopted by a majority of the board, determine that only three of their members shall be members of the local social services agency, in which event the local social services agency shall

consist of five members instead of seven. When a vacancy occurs on the local social services agency by reason of the death, resignation, or expiration of the term of office of a member of the board of county commissioners, the unexpired term of such member shall be filled by appointment by the county commissioners. Except to fill a vacancy the term of office of each member of the local social services agency shall commence on the first Thursday after the first Monday in July, and continue until the expiration of the term for which such member was appointed or until a successor is appointed and qualifies. ~~If the board of county commissioners shall refuse, fail, omit, or neglect to submit one or more nominees to the commissioner of human services for appointment to the local social services agency by the commissioner of human services, as herein provided, or to appoint the three members to the local social services agency, as herein provided, by the time when the terms of such members commence, or, in the event of vacancies, for a period of 30 days thereafter, the commissioner of human services is hereby empowered to and shall forthwith appoint residents of the county to the local social services agency. The commissioner of human services, on refusing to appoint a nominee from the list of nominees submitted by the board of county commissioners, shall notify the county board of such refusal. The county board shall thereupon nominate additional nominees. Before the commissioner of human services shall fill any vacancy hereunder resulting from the failure or refusal of the board of county commissioners of any county to act, as required herein, the commissioner of human services shall mail 15 days' written notice to the board of county commissioners of its intention to fill such vacancy or vacancies unless the board of county commissioners shall act before the expiration of the 15-day period.~~

Sec. 7. Minnesota Statutes 2012, section 393.01, subdivision 7, is amended to read:

Subd. 7. **Joint exercise of powers.** Notwithstanding the provisions of subdivision 1 two or more counties may by resolution of their respective boards of county commissioners, agree to combine the functions of their separate local social services agency into one local social services agency to serve the two or more counties that enter into the agreement. Such agreement may be for a definite term or until terminated in accordance with its terms. When two or more counties have agreed to combine the functions of their separate local social services agency, a single local social services agency in lieu of existing individual local social services agency shall be established to direct the activities of the combined agency. This agency shall have the same powers, duties and functions as an individual local social services agency. The single local social services agency shall have representation from each of the participating counties with selection of the members to be as follows:

(a) Each board of county commissioners entering into the agreement shall on an annual basis select one or two of its members to serve on the single local social services agency.

(b) Each board of county commissioners entering into the agreement shall ~~in accordance with procedures established by the commissioner of human services, submit a list of names of three county residents, who shall not be county commissioners, to the commissioner of human services. The commissioner shall select one person from each county list~~ county resident who is not a county commissioner to serve as a local social services agency member.

(c) The composition of the agency may be determined by the boards of county commissioners entering into the agreement providing that no less than one-third of the members are appointed as provided in ~~clause~~ paragraph (b).

Sec. 8. Laws 2011, First Special Session chapter 9, article 9, section 17, is amended to read:

Sec. 17. **SIMPLIFICATION OF ELIGIBILITY AND ENROLLMENT PROCESS.**

(a) The commissioner of human services shall issue a request for information for an integrated service delivery system for health care programs, food support, cash assistance, and child care. The commissioner shall determine, in consultation with partners in paragraph (c), if the products meet departments' and counties' functions. The request for information may incorporate a performance-based vendor financing option in which the vendor shares the risk of the project's success. The health care system must be developed in phases with the capacity to integrate food support, cash assistance, and child care programs as funds are available. The request for information must require that the system:

(1) streamline eligibility determinations and case processing to support statewide eligibility processing;

(2) enable interested persons to determine eligibility for each program, and to apply for programs online in a manner that the applicant will be asked only those questions relevant to the programs for which the person is applying;

(3) leverage technology that has been operational in other state environments with similar requirements; and

(4) include Web-based application, worker application processing support, and the opportunity for expansion.

(b) The commissioner shall issue a final report, including the implementation plan, to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services no later than January 31, 2012.

(c) The commissioner shall partner with counties, a service delivery authority established under Minnesota Statutes, chapter 402A, the Office of Enterprise Technology, other state agencies, and service partners to develop an integrated service delivery framework, which will simplify and streamline human services eligibility and enrollment processes. The primary objectives for the simplification effort include significantly improved eligibility processing productivity resulting in reduced time for eligibility determination and enrollment, increased customer service for applicants and recipients of services, increased program integrity, and greater administrative flexibility.

~~(d) The commissioner, along with a county representative appointed by the Association of Minnesota Counties, shall report specific implementation progress to the legislature annually beginning May 15, 2012.~~

~~(e)~~ The commissioner shall work with the Minnesota Association of County Social Service Administrators and the Office of Enterprise Technology to develop collaborative task forces, as necessary, to support implementation of the service delivery components under this paragraph. The commissioner must evaluate, develop, and include as part of the integrated eligibility and enrollment service delivery framework, the following minimum components:

(1) screening tools for applicants to determine potential eligibility as part of an online application process;

(2) the capacity to use databases to electronically verify application and renewal data as required by law;

(3) online accounts accessible by applicants and enrollees;

(4) an interactive voice response system, available statewide, that provides case information for applicants, enrollees, and authorized third parties;

(5) an electronic document management system that provides electronic transfer of all documents required for eligibility and enrollment processes; and

(6) a centralized customer contact center that applicants, enrollees, and authorized third parties can use statewide to receive program information, application assistance, and case information, report changes, make cost-sharing payments, and conduct other eligibility and enrollment transactions.

~~(f)~~ (e) Subject to a legislative appropriation, the commissioner of human services shall issue a request for proposal for the appropriate phase of an integrated service delivery system for health care programs, food support, cash assistance, and child care.

Sec. 9. **RULEMAKING; REDUNDANT PROVISION REGARDING TRANSITION LENSES.**

The commissioner of human services shall amend Minnesota Rules, part 9505.0277, subpart 3, to remove transition lenses from the list of eyeglass services not eligible for payment under the medical assistance program. The commissioner may use the good cause exemption in Minnesota Statutes, section 14.388, subdivision 1, clause (4), to adopt rules under this section. Minnesota Statutes, section 14.386, does not apply except as provided in Minnesota Statutes, section 14.388.

Sec. 10. **FEDERAL APPROVAL.**

By October 1, 2015, the commissioner of human services shall seek federal authority to operate the program in Minnesota Statutes, section 256B.78, under the state Medicaid plan, in accordance with United States Code, title 42, section 1396a(a)(10)(A)(ii)(XXI). To be eligible, an individual must have family income at or below 200 percent of the federal poverty guidelines, except that for an individual under age 21, only the income of the individual must be considered in determining eligibility. Services under this program must be available on a presumptive eligibility basis.

Sec. 11. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall remove cross-references to the sections and parts repealed in section 12, paragraphs (a) and (b), wherever they appear in Minnesota Rules and shall make changes necessary to correct the punctuation, grammar, or structure of the remaining text and preserve its meaning.

Sec. 12. **REPEALER.**

(a) Minnesota Statutes 2012, section 256.01, subdivision 32, is repealed.

(b) Minnesota Rules, parts 9500.1126; 9500.1450, subpart 3; 9500.1452, subpart 3; 9500.1456; and 9525.1580, are repealed.

(c) Minnesota Rules, parts 9505.5300; 9505.5305; 9505.5310; 9505.5315; and 9505.5325, are repealed contingent upon federal approval of the state Medicaid plan amendment under section 10. The commissioner of human services shall notify the revisor of statutes when this occurs."

Delete the title and insert:

"A bill for an act relating to state government; making changes to health and human services policy provisions; modifying provisions relating to children and family services, the provision of health services, chemical and mental health services, health-related licensing boards, Department of Health, public health, continuing care, and health care; establishing reporting requirements and grounds for disciplinary action for health professionals; making changes to the medical assistance program; modifying the newborn screening program; regulating the sale and use of tobacco-related and electronic delivery devices; modifying requirements for local boards of health; modifying provisions governing prescription drugs; making changes to provisions governing the Board of Pharmacy; modifying home and community-based services standards; making changes to grant programs; modifying certain penalty fees; requiring studies and reports; amending Minnesota Statutes 2012, sections 62J.497, subdivision 5; 62U.04, subdivision 4, by adding subdivisions; 144.125, subdivisions 3, 4, 5, 8, 9, 10; 144.1501, subdivision 1; 144.4165; 144.565, subdivision 4; 144D.065; 144E.101, subdivision 6; 145.928, by adding a subdivision; 145A.02, subdivisions 5, 15, by adding subdivisions; 145A.03, subdivisions 1, 2, 4, 5, by adding a subdivision; 145A.04, as amended; 145A.05, subdivision 2; 145A.06, subdivisions 2, 5, 6, by adding subdivisions; 145A.07, subdivisions 1, 2; 145A.08; 145A.11, subdivision 2; 145A.131; 148.01, subdivisions 1, 2, by adding a subdivision; 148.105, subdivision 1; 148.6402, subdivision 17; 148.6404; 148.6430; 148.6432, subdivision 1; 148.7802, subdivisions 3, 9; 148.7803, subdivision 1; 148.7805, subdivision 1; 148.7808, subdivisions 1, 4; 148.7812, subdivision 2; 148.7813,

by adding a subdivision; 148.7814; 148.995, subdivision 2; 148B.5301, subdivisions 2, 4; 149A.92, by adding a subdivision; 150A.01, subdivision 8a; 150A.06, subdivisions 1, 1a, 1c, 1d, 2, 2a, 2d, 3, 8; 150A.091, subdivision 16; 150A.10; 151.01; 151.06; 151.211; 151.26; 151.34; 151.35; 151.361, subdivision 2; 151.37, as amended; 151.44; 151.58, subdivisions 2, 3, 5; 152.126, as amended; 153.16, subdivisions 1, 2, 3, by adding subdivisions; 214.103, subdivisions 2, 3; 214.12, by adding a subdivision; 214.29; 214.31; 214.32; 214.33, subdivision 3, by adding a subdivision; 245A.02, subdivision 19; 245A.03, subdivision 6a; 245A.155, subdivisions 1, 2, 3; 245A.65, subdivision 2; 253B.092, subdivision 2; 254B.01, by adding a subdivision; 254B.05, subdivision 5; 256B.0654, subdivision 1; 256B.0659, subdivisions 11, 28; 256B.0751, by adding a subdivision; 256B.493, subdivision 1; 256B.5016, subdivision 1; 256B.69, subdivision 16, by adding a subdivision; 256D.01, subdivision 1e; 256G.02, subdivision 6; 256I.03, subdivision 3; 256I.04, subdivision 2a; 260C.157, subdivision 3; 260C.215, subdivisions 4, 6, by adding a subdivision; 325H.05; 325H.09; 393.01, subdivisions 2, 7; 461.12; 461.18; 461.19; 609.685; 609.6855; 626.556, subdivision 11c; Minnesota Statutes 2013 Supplement, sections 144.1225, subdivision 2; 144.125, subdivision 7; 144.493, subdivisions 1, 2; 144A.474, subdivision 12; 144A.475, subdivision 3, by adding subdivisions; 145.4716, subdivision 2; 145A.06, subdivision 7; 151.252, by adding a subdivision; 152.02, subdivision 2; 245D.02, by adding a subdivision; 245D.05, subdivisions 1, 1b; 245D.06, subdivision 1; 245D.07, subdivision 2; 245D.071, subdivisions 1, 3, 4, 5; 245D.09, subdivisions 3, 4, 4a, 5; 245D.095, subdivision 3; 245D.22, subdivision 4; 245D.31, subdivisions 3, 4, 5; 245D.33; 254A.035, subdivision 2; 254A.04; 256B.04, subdivision 21; 256B.0659, subdivision 21; 256B.0922, subdivision 1; 256B.4912, subdivision 10; 256B.492; 256B.766; 256B.85, subdivision 12; 260.835, subdivision 2; 626.557, subdivision 9; Laws 2011, First Special Session chapter 9, article 7, section 7; article 9, section 17; Laws 2013, chapter 108, article 7, section 60; proposing coding for new law in Minnesota Statutes, chapters 144; 144D; 150A; 151; 214; 325H; 403; 604A; repealing Minnesota Statutes 2012, sections 144.125, subdivision 6; 145A.02, subdivision 2; 145A.03, subdivisions 3, 6; 145A.09, subdivisions 1, 2, 3, 4, 5, 7; 145A.10, subdivisions 1, 2, 3, 4, 5a, 7, 9, 10; 145A.12, subdivisions 1, 2, 7; 148.01, subdivision 3; 148.7808, subdivision 2; 148.7813; 214.28; 214.36; 214.37; 256.01, subdivision 32; 325H.06; 325H.08; Minnesota Statutes 2013 Supplement, sections 148.6440; 245D.071, subdivision 2; Laws 2011, First Special Session chapter 9, article 6, section 95, subdivisions 1, 2, 3, 4; Minnesota Rules, parts 2500.0100, subparts 3, 4b, 9b; 2500.4000; 9500.1126; 9500.1450, subpart 3; 9500.1452, subpart 3; 9500.1456; 9505.5300; 9505.5305; 9505.5310; 9505.5315; 9505.5325; 9525.1580."

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

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

H. F. No. 2467, A bill for an act relating to human services; modifying requirements for human services background studies; amending Minnesota Statutes 2012, sections 245C.02, by adding subdivisions; 245C.03, subdivision 2, by adding a subdivision; 245C.04, subdivision 1; 245C.05, subdivisions 1, 2, 2c, 4, 5; 245C.07; 245C.13, subdivision 1; 245C.17, subdivision 1; 245C.20, by adding a subdivision; 245C.32, by adding subdivisions; Minnesota Statutes 2013 Supplement, section 245C.04, subdivision 4a; proposing coding for new law in Minnesota Statutes, chapter 245C.

Reported the same back with the following amendments:

Page 8, line 31, delete "and"

Page 9, line 3, delete the period and insert a semicolon

Page 9, after line 3, insert:

"(4) the commissioner shall provide the subject notice, as required in section 245C.17, subdivision 1, paragraph (a), when an entity initiates a background study on the individual;

(5) the subject may request in writing a report listing the entities that initiated a background study on the individual as provided in section 245C.17, subdivision 1, paragraph (b);

(6) the subject may request in writing that information used to complete the individual's background study in NETStudy 2.0 be destroyed if the requirements of section 245C.051, paragraph (a), are met; and

(7) notwithstanding clause (6), the commissioner shall destroy:

(i) the subject's photograph after a period of two years when the requirements of section 245C.051, paragraph (c), are met; and

(ii) any data collected on a subject under this chapter after a period of two years following the individual's death as provided in section 245C.051, paragraph (d)."

Page 11, line 7, delete everything after "or" and insert "when 90 years have elapsed since the individual's birth except when readily available data indicate that the individual is still living."

Page 11, delete lines 8 to 11

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

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

H. F. No. 2523, A bill for an act relating to health; making changes to the local public health system; amending Minnesota Statutes 2012, sections 145A.02, subdivisions 5, 15, by adding subdivisions; 145A.03, subdivisions 1, 2, 4, 5, by adding a subdivision; 145A.04, as amended; 145A.05, subdivision 2; 145A.06, subdivisions 2, 5, 6, by adding subdivisions; 145A.07, subdivisions 1, 2; 145A.08; 145A.11, subdivision 2; 145A.131; Minnesota Statutes 2013 Supplement, section 145A.06, subdivision 7; repealing Minnesota Statutes 2012, sections 145A.02, subdivision 2; 145A.03, subdivisions 3, 6; 145A.09, subdivisions 1, 2, 3, 4, 5, 7; 145A.10, subdivisions 1, 2, 3, 4, 5a, 7, 9, 10; 145A.12, subdivisions 1, 2, 7.

Reported the same back with the recommendation that the bill be placed on the General Register.

The report was adopted.

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

H. F. No. 2543, A bill for an act relating to environment; classifying certain data; modifying certain reporting requirements; modifying and creating certain permitting efficiencies; modifying duties of Pollution Control Agency; modifying administrative penalty order and field citation provisions; providing civil penalties; requiring rulemaking; appropriating money; amending Minnesota Statutes 2012, sections 13.741, by adding a subdivision; 84.027, subdivision 14a, by adding a subdivision; 115.03, subdivisions 1, 10; 115.551; 116.03, subdivision 2b; 116.07, subdivision 4d; 116.072, subdivision 2; 116.073, subdivisions 1, 2; 116J.035, subdivision 8.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Environment, Natural Resources and Agriculture Finance.

The report was adopted.

Marquart from the Committee on Education Finance to which was referred:

H. F. No. 2569, A bill for an act relating to education; adopting the interstate compact on educational opportunity for military children; requiring a military-connected youth identifier; amending Minnesota Statutes 2012, section 127A.70, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 127A.

Reported the same back with the following amendments:

Page 20, after line 2, insert:

"Sec. 4. **PREVAILING LAW; ACADEMIC CREDITS; HIGH SCHOOL DIPLOMAS.**

Notwithstanding article VII of this compact, other compact provisions, or other law to the contrary, where Minnesota statute or rule governing the awarding of academic credits or a high school diploma or an equivalent degree or credential conflicts with this compact, Minnesota law supersedes the provisions of this compact to the extent of the conflict."

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

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

H. F. No. 2602, A bill for an act relating to crime; clarifying the crime of failure to pay court-ordered child support; amending Minnesota Statutes 2012, section 609.375, subdivisions 1, 7, 8.

Reported the same back with the following amendments:

Page 1, line 7, delete "child" and reinstate the stricken language

Page 1, line 17, strike "child"

Page 2, line 4, delete "child"

Amend the title as follows:

Page 1, line 2, delete "child"

With the recommendation that when so amended the bill 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. 2613, A bill for an act relating to Hennepin County; modifying the multijurisdictional reinvestment program; amending Minnesota Statutes 2012, section 383B.79, subdivisions 1, 5.

Reported the same back with the following amendments:

Page 1, line 6, strike "created" and insert "authorized"

Page 1, line 7, delete "created" and insert "authorized"

Page 1, after line 17, insert:

"Sec. 2. Minnesota Statutes 2012, section 383B.79, subdivision 2, is amended to read:

Subd. 2. **Use of appropriations.** Up to one-half of any state appropriation for the program ~~created~~ authorized in subdivision 1 may be used by the county as a grant to the cities of Minneapolis and Brooklyn Center to provide assistance in a capital nature for constructing public infrastructure improvements in order to further economic development."

Reorder the sections in sequence

Correct the title numbers accordingly

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

Hornstein from the Committee on Transportation Finance to which was referred:

H. F. No. 2795, A bill for an act relating to data practices; modifying standards related to bulk transfer of certain driver's license and motor vehicle registration data; amending Minnesota Statutes 2012, sections 168.346, subdivision 1; 171.12, subdivision 7.

Reported the same back with the following amendments:

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 2012, section 168.327, subdivision 1, is amended to read:

Subdivision 1. **Records and fees.** (a) Upon request by any person authorized in this section, the commissioner shall furnish a certified copy of any driver's license record, instruction permit record, Minnesota identification card record, vehicle registration record, vehicle title record, or accident record.

(b) Other than accident records governed under section 169.09, subdivision 13, the requester shall pay a fee of \$10 for each certified record specified in paragraph (a) or a fee of \$9 for each record that is not certified.

(c) In addition to the record fee in paragraph (b), the fee for a copy of the history of any vehicle title not in electronic format is \$1 for each page of the historical record.

(d) Fees collected under paragraph (b) for driver's license, instruction permit, and Minnesota identification card records must be paid into the state treasury with 50 cents of each fee credited to the general fund. The remainder of the fees collected must be credited to the driver services operating account in the special revenue fund under section 299A.705.

(e) Fees collected under paragraphs (b) and (c) for vehicle registration or title records must be paid into the state treasury with 50 cents of each fee credited to the general fund. The remainder of the fees collected must be credited to the vehicle services operating account in the special revenue fund specified in section 299A.705.

(f) The commissioner shall permit a person to inquire into a single record by the person's own electronic means for a fee of \$4.50 for each inquiry, except that no fee may be charged when the requester is the subject of the data. Fees collected under this paragraph must be deposited as follows:

(1) ~~Of the \$4.50 fee, \$2.70 must be deposited~~ in the general fund;

(2) for driver's license, instruction permit, or Minnesota identification card records, the remainder ~~must be deposited~~ in the driver services operating account in the special revenue fund under section 299A.705; and

(3) for vehicle title or registration records, the remainder ~~must be deposited~~ in the vehicle services operating account in the special revenue fund under section 299A.705.

(g) Fees and the deposit of the fees for accident records and reports are governed by section 169.09, subdivision 13.

(h) The commissioner may impose fees for a requester to inquire, through the requester's own electronic means, into data in bulk form, as provided under sections 168.346, subdivision 1, and 171.12, subdivision 7. The fee structure must match that in use on January 1, 2014. The fees (1) are in lieu of the fee imposed under paragraph (f) and the surcharge under subdivision 2; and (2) must not exceed any that would have been imposed on January 1, 2014, for a comparable bulk data inquiry. Fees collected under this paragraph must be deposited as follows:

(1) for driver's license, instruction permit, or Minnesota identification card records, in the driver services operating account; and

(2) for vehicle title or registration records, in the vehicle services operating account."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "providing for collection and deposit of fees for certain requests for data in bulk form;"

Correct the title numbers accordingly

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

Simon from the Committee on Elections to which was referred:

H. F. No. 2830, A bill for an act relating to counties; providing a process for combining and making the offices of county auditor-treasurer and recorder appointive in Becker County.

Reported the same back with the recommendation that the bill be placed on the General Register.

The report was adopted.

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

H. F. No. 2834, A bill for an act relating to energy; eliminating antiquated, unnecessary, redundant, or obsolete laws; making conforming changes; amending Minnesota Statutes 2012, sections 216C.03; 256E.25, subdivision 5a; repealing Minnesota Statutes 2012, sections 216C.14; 216C.262; 216C.263; 216C.373; 216C.38; 216C.44; Minnesota Rules, parts 7606.0010; 7606.0020, subparts 1, 2, 3, 4, 5, 5a, 6, 8, 9, 10; 7606.0030; 7606.0040; 7606.0050; 7606.0060; 7606.0070; 7606.0080; 7630.0110; 7630.0120; 7630.0200; 7630.0210; 7630.0220; 7630.0300; 7630.0310; 7630.0320; 7630.0330; 7630.0340; 7630.0350; 7630.0360.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2012, section 216B.098, subdivision 5, is amended to read:

Subd. 5. **Medically necessary equipment.** (a) A utility shall reconnect or continue service to a customer's residence where a medical emergency exists or where medical equipment requiring electricity necessary to sustain life is in use, provided that the utility receives ~~from a medical doctor~~ written certification, or initial certification by telephone and written certification within five business days, that failure to reconnect or continue service will impair or threaten the health or safety of a resident of the customer's household. ~~The customer must enter into a payment agreement.~~

(b) Certification of the necessity for service is required. Certification may be provided by:

(1) a licensed medical doctor;

(2) a licensed or registered physician's assistant;

(3) a licensed or registered nurse practitioner; or

(4) a registered nurse, but only to the extent of verifying the current diagnosis or prescriptions made by a licensed medical doctor for the customer or member of the customer's household.

(c) Except as provided in paragraph (d), a certification may not extend beyond six months from the date of written certification.

(d) If a utility determines that a longer certification is appropriate given a particular customer's circumstances, the utility may, at its sole discretion, extend the duration of a certification for up to 12 months.

(e) A certification may be renewed, provided that the renewal complies with this subdivision. A certification may be renewed by the same or another medical professional who meets the qualifications of paragraph (b).

(f) A customer whose account is in arrears must contact and enter into a payment agreement with the utility. The payment agreement must consider a customer's financial circumstances and any extenuating circumstances of the household. The payment agreement may, at the discretion of the utility, contain a provision by which the utility forgives all or a portion of the amount in which the account is in arrears, which, if implemented, extinguishes individual liability for the amount forgiven.

Sec. 2. Minnesota Statutes 2012, section 216B.16, subdivision 14, is amended to read:

Subd. 14. **Low-income electric rate discount.** A public utility shall fund an affordability program for low-income customers ~~in an amount based on a 50 percent electric rate discount on the first 400 kilowatt hours consumed in a billing period for low income residential customers of the utility~~ at a base annual funding level of \$8,000,000. The annual funding level shall increase in the calendar years subsequent to each commission approval of a rate increase for the public utility's residential customers by the same percentage as the approved residential rate increase. Costs for the program shall be included in the utility's base rate. For the purposes of this subdivision, "low-income" describes a customer who is receiving assistance from the federal low-income home energy assistance program. The affordability program must be designed to target participating customers with the lowest incomes and highest energy costs in order to lower the percentage of income they devote to energy bills, increase their payments, lower utility service disconnections, and lower decrease costs associated with collection activities on their accounts. For low-income customers who are 62 years of age or older or disabled, the program must, ~~in addition to any other program benefits,~~ include a 50 percent electric rate discount on the first 400 kilowatt hours consumed in a \$15 discount in each billing period. For the purposes of this subdivision, "public utility" includes only those public utilities with more than 200,000 residential electric service customers. The commission may issue orders necessary to implement, administer, and recover the costs of the program on a timely basis.

EFFECTIVE DATE. This section is effective October 1, 2014.

Sec. 3. Minnesota Statutes 2012, section 216B.1611, is amended by adding a subdivision to read:

Subd. 3a. **Project information.** (a) Beginning July 1, 2014, each electric utility shall request an applicant for interconnection of distributed renewable energy generation to provide the following information, in a format prescribed by the commissioner:

- (1) the nameplate capacity of the facility in the application;
- (2) the total preincentive installed cost of the generation system at the facility;
- (3) the energy source of the facility; and
- (4) the zip code in which the facility is to be located.

(b) The commissioner shall develop or identify a system to collect and process the information under this subdivision for each utility, and make non-project-specific data available to the public on a periodic basis as determined by the commissioner, and in a format determined by the commissioner. The commissioner may solicit proposals from outside parties to develop the system.

(c) Electric utilities collecting and transferring data under this subdivision are not responsible for the accuracy, completeness, or quality of the information under this subdivision.

(d) Except as provided in paragraph (b), any information provided by an applicant to the commissioner under this subdivision is nonpublic.

EFFECTIVE DATE. This section is effective July 1, 2014, and applies to applications received on or after that date.

Sec. 4. **[216B.1614] ELECTRIC VEHICLE CHARGING TARIFF.**

Subdivision 1. Definitions. (a) For the purposes of this section, the terms defined in this subdivision have the meanings given them.

(b) "Electric vehicle" has the meaning given in section 169.011, subdivision 26a.

(c) "Public utility" has the meaning given in section 216B.02, subdivision 4.

(d) "Renewable energy" has the meaning given in section 216B.169, subdivision 2, paragraph (d).

Subd. 2. **Required tariff.** (a) By February 1, 2015, each public utility selling electricity at retail must file with the commission a tariff that allows a customer to purchase electricity solely for the purpose of recharging an electric vehicle. The tariff must:

(1) contain a time-of-day or off-peak rate;

(2) offer a customer the option to purchase electricity:

(i) from the utility's current mix of energy supply sources; or

(ii) entirely from renewable energy sources, subject to the conditions established under section 216B.169, subdivision 2, paragraph (b), and subdivision 3, paragraph (a); and

(3) be made available to the residential customer class.

(b) The public utility may, at its discretion, offer the tariff to other customer classes.

(c) The commission shall, after notice and opportunity for public comment, approve, modify, or reject the tariff. The commission may approve the tariff if the public utility has demonstrated that the tariff:

(1) appropriately reflects off-peak versus peak cost differences in the rate charged;

(2) includes a mechanism to allow the recovery of costs reasonably necessary to comply with this section, including costs to inform and educate customers about the financial, energy conservation, and environmental benefits of electric vehicles and to publicly advertise and promote participation in the customer-optional tariff;

(3) provides for clear and transparent customer billing statements including, but not limited to, the amount of energy consumed under the tariff; and

(4) incorporates the cost of metering or submetering within the rate charged to the customer.

(d) Within 60 days of commission approval of a public utility's tariff filed under this section, the public utility shall make the tariff available to customers.

(e) The utility may at any time propose revisions to a tariff filed under this subdivision based on changing costs or conditions.

Subd. 3. **Data reporting.** Each public utility providing a tariff under this section shall periodically report to the commission, as established by the commission and on a form prescribed by the commission, the following information, presented on a per-quarter basis:

(1) the number of customers who have arranged to purchase electricity under the tariff;

(2) the total amount of electricity sold under the tariff; and

(3) other data required by the commission.

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

Sec. 5. Minnesota Statutes 2012, section 216B.241, is amended by adding a subdivision to read:

Subd. 5d. On-bill loan repayment programs. (a) For the purposes of this subdivision:

(1) "utility" means a public utility, municipal utility, or cooperative electric association that provides electric or natural gas service to retail customers; and

(2) "on-bill loan repayment program" means a program in which a utility collects on a customer's bill repayment of a loan to the customer by an eligible lender to finance the customer's investment in eligible energy conservation or renewable energy projects, and remits loan repayments to the lender.

(b) A utility may include as part of its conservation improvement plan an on-bill loan repayment program to enable a customer to finance eligible projects with installment loans originated by an eligible lender. An eligible project is one that is either an energy conservation improvement, or a project that uses an eligible renewable energy source as that term is defined in section 216B.2411, subdivision 2, paragraph (b), but does not include mixed municipal solid waste or refuse-derived fuel from mixed municipal solid waste. An eligible renewable energy source also includes solar thermal technology that collects the sun's radiant energy and transfers it to a storage medium for distribution as energy to heat or cool air or water, and meets the requirements of section 216C.25. To be an eligible lender, a lender must:

(1) have a federal or state charter and be eligible for federal deposit insurance;

(2) be a government entity, including an entity established under chapter 469, that has authority to provide financial assistance for energy efficiency and renewable energy projects;

(3) be a joint venture by utilities established under section 452.25; or

(4) be licensed by the Department of Commerce to conduct lending activities.

The commissioner must allow a utility broad discretion in designing and implementing an on-bill loan repayment program, provided that the program complies with this subdivision.

(c) A utility may establish an on-bill loan repayment program for all customer classes or for a specific customer class.

(d) A public utility that implements an on-bill repayment program under this subdivision must enter into a contract with one or more eligible lenders that complies with the requirements of this subdivision and contains provisions addressing capital commitments, loan origination, transfer of loans to the public utility for on-bill loan repayment, and acceptance of loans returned due to delinquency or default.

(e) A public utility's contract with a lender must require the lender to: (1) comply with all applicable federal and state laws, rules, and regulations related to lending practices and consumer protection; (2) conform to reasonable and prudent lending standards; and (3) provide to businesses that sell, install, and maintain eligible projects the ability to participate in an on-bill repayment program under this subdivision that is nondiscriminatory.

(f) A public utility's contract with a lender may provide:

(1) for the public utility to purchase loans from the lender with a condition that the lender must purchase back loans in delinquency or default; or

(2) for the lender to retain ownership of loans with the public utility servicing the loans through on-bill repayment as long as payments are current.

The risk of default must remain with the lender. The lender shall not have recourse against the public utility except in the event of negligence or breach of contract by the utility.

(g) If a public utility customer makes a partial payment on a utility bill that includes a loan installment, the partial payment must be credited first to the amount owed for utility service, including taxes and fees. A public utility may not suspend or terminate a customer's utility service for delinquency or default on a loan that is being serviced through the public utility's on-bill loan repayment program.

(h) An outstanding balance on a loan being repaid under this subdivision is a financial obligation only of the customer who is signatory to the loan, and not to any subsequent customer occupying the property associated with the loan. If the utility purchases loans from the lender as authorized under paragraph (f), clause (1), the utility must return to the lender a loan not repaid when a customer borrower no longer occupies the property.

(i) Costs incurred by a public utility under this subdivision are recoverable as provided in section 216B.16, subdivision 6b, paragraph (c), including reasonable incremental costs for billing system modifications necessary to implement and operate an on-bill loan repayment program and for ongoing costs to operate the program. Approved costs may be counted toward a utility's conservation spending requirements under subdivisions 1a and 1b. Energy savings from energy conservation improvements resulting from this section may be counted toward satisfying a utility's energy-savings goals under subdivision 1c.

(j) This subdivision does not require a utility to terminate or modify an existing financing program and does not prohibit a utility from establishing an on-bill financing program in which the utility provides the financing capital.

(k) A municipal utility or cooperative electric association that implements an on-bill loan repayment program shall design the program to address the issues identified in paragraphs (d) to (h) as determined by the governing board of the utility or association.

Sec. 6. Minnesota Statutes 2012, section 216B.241, is amended by adding a subdivision to read:

Subd. 5e. **Commercial and multifamily rental buildings.** (a) The commissioner shall solicit, after consulting with stakeholders about the terms of the solicitation, and may approve for implementation, proposals for one or more utilities to voluntarily participate in a program to address energy efficiency in rented commercial or residential buildings, including rented multifamily residential buildings. A program under this subdivision may be included in a conservation improvement plan under this section, or proposed separately.

(b) If a program under this subdivision employs an on-bill repayment mechanism, it must, to the extent practical, use the criteria and standards of and comply with the requirements of subdivision 5d, except that a mechanism may allow successor tenants in a rented building to assume any balance of a loan paid through a utility bill, and may allow the building owner to assume the balance when a unit is empty. Participation in an on-bill repayment program under this subdivision is voluntary for building owners. The commissioner may only approve a program under this subdivision that includes an on-bill repayment mechanism requiring tenants occupying units in the building to repay a loan if the tenants agree to do so in writing.

Sec. 7. Minnesota Statutes 2012, section 216B.2422, is amended by adding a subdivision to read:

Subd. 2c. Long-range emission reduction planning. Each utility required to file a resource plan under this section shall include in the filing a narrative identifying and describing: (1) the costs, opportunities, and technical barriers to the utility continuing to make progress on its system toward achieving the state greenhouse gas emission reduction goals established in section 216H.02, subdivision 1; and (2) the technologies, alternatives, and steps the utility is considering to address those opportunities and barriers.

Sec. 8. Minnesota Statutes 2012, section 216B.243, subdivision 8, is amended to read:

Subd. 8. **Exemptions.** This section does not apply to:

(1) cogeneration or small power production facilities as defined in the Federal Power Act, United States Code, title 16, section 796, paragraph (17), subparagraph (A), and paragraph (18), subparagraph (A), and having a combined capacity at a single site of less than 80,000 kilowatts; plants or facilities for the production of ethanol or fuel alcohol; or any case where the commission has determined after being advised by the attorney general that its application has been preempted by federal law;

(2) a high-voltage transmission line proposed primarily to distribute electricity to serve the demand of a single customer at a single location, unless the applicant opts to request that the commission determine need under this section or section 216B.2425;

(3) the upgrade to a higher voltage of an existing transmission line that serves the demand of a single customer that primarily uses existing rights-of-way, unless the applicant opts to request that the commission determine need under this section or section 216B.2425;

(4) a high-voltage transmission line of one mile or less required to connect a new or upgraded substation to an existing, new, or upgraded high-voltage transmission line;

(5) conversion of the fuel source of an existing electric generating plant to using natural gas; ~~or~~

(6) the modification of an existing electric generating plant to increase efficiency, as long as the capacity of the plant is not increased more than ten percent or more than 100 megawatts, whichever is greater; or

(7) a wind energy conversion system or solar electric generation facility if the system or facility is owned and operated by an independent power producer and the electric output of the system or facility is not sold to an entity that provides retail or wholesale electric service in Minnesota other than an entity that is a federally recognized regional transmission organization or independent system operator.

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

Sec. 9. Minnesota Statutes 2012, section 216E.01, is amended by adding a subdivision to read:

Subd. 8a. Solar energy generating system. "Solar energy generating system" means a set of devices whose primary purpose is to produce electricity by means of any combination of collecting, transferring, or converting solar-generated energy.

Sec. 10. **[216E.021] SOLAR ENERGY SYSTEM SIZE DETERMINATION.**

(a) This section must be used to determine whether a combination of solar energy generating systems meets the definition of large electric power generating plant and is subject to the commission's siting authority jurisdiction under this chapter. The alternating current nameplate capacity of one solar energy generating system must be combined with the alternating current nameplate capacity of any other solar energy generating system that:

(1) is constructed within the same 12-month period as the solar energy generating system; and

(2) exhibits characteristics of being a single development, including but not limited to ownership structure, an umbrella sales arrangement, shared interconnection, revenue sharing arrangements, and common debt or equity financing.

(b) The commissioner of commerce shall provide forms and assistance for applicants to make a request for a size determination. Upon written request of an applicant, the commissioner shall provide a written size determination within 30 days of receipt of the request and of any information requested by the commissioner. In the case of a dispute, the chair of the Public Utilities Commission shall make the final size determination.

Sec. 11. Minnesota Statutes 2012, section 216E.04, subdivision 2, is amended to read:

Subd. 2. **Applicable projects.** The requirements and procedures in this section apply to the following projects:

- (1) large electric power generating plants with a capacity of less than 80 megawatts;
- (2) large electric power generating plants that are fueled by natural gas;
- (3) high-voltage transmission lines of between 100 and 200 kilovolts;
- (4) high-voltage transmission lines in excess of 200 kilovolts and less than five miles in length in Minnesota;
- (5) high-voltage transmission lines in excess of 200 kilovolts if at least 80 percent of the distance of the line in Minnesota will be located along existing high-voltage transmission line right-of-way;
- (6) a high-voltage transmission line service extension to a single customer between 200 and 300 kilovolts and less than ten miles in length; ~~and~~
- (7) a high-voltage transmission line rerouting to serve the demand of a single customer when the rerouted line will be located at least 80 percent on property owned or controlled by the customer or the owner of the transmission line; and
- (8) large electric power generating plants that are powered by solar energy.

Sec. 12. **[500.216] LIMITS ON CERTAIN RESIDENTIAL SOLAR ENERGY SYSTEMS PROHIBITED.**

Subdivision 1. **General rule.** A private entity may not prohibit or refuse to permit installation, maintenance, or use of a roof-mounted solar energy system by the owner of a single-family dwelling notwithstanding any covenant, restriction, or condition contained in a deed, security instrument, homeowners association document, or any other instrument affecting the transfer, sale of, or an interest in real property, except as provided in this section.

Subd. 2. **Applicability.** This section applies to single-family dwellings, whether attached or detached, where the dwelling owner is responsible for maintenance, repair, replacement, and insurance of the roof of the dwelling.

Subd. 3. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Private entity" means a homeowners association, community association, or other association that is subject to a homeowners association document.

(c) "Homeowners association document" means a document containing the declaration, articles of incorporation, bylaws, or rules and regulations of:

(1) a common interest community, as defined in section 515B.1-103, regardless of whether the common interest community is subject to chapter 515B; and

(2) a residential community that is not a common interest community.

(d) "Solar energy system" has the meaning given in section 216C.06, subdivision 17.

Subd. 4. **Allowable conditions.** (a) This section does not prohibit a private entity from requiring that:

(1) a licensed contractor install a solar energy system;

(2) a roof-mounted solar energy system not extend above the peak of a pitched roof or beyond the edge of the roof;

(3) the owner or installer of a solar energy system indemnify or reimburse the private entity or its members for loss or damage caused by the installation, maintenance, use, repair, or removal of a solar energy system;

(4) the owner and each successive owner of a solar energy system list the private entity as a certificate holder on the homeowner's insurance policy; or

(5) the owner and each successive owner of a solar energy system be responsible for removing the system if reasonably necessary for the repair, maintenance, or replacement of common elements or limited common elements, as defined in section 515B.1-103.

(b) A private entity may impose other reasonable restrictions on the installation, maintenance, or use of solar energy systems, provided that those restrictions do not decrease the projected generation of energy by a solar energy system by more than 20 percent or increase its cost by more than (1) 20 percent, for a solar water heater, or (2) \$2,000, for a solar photovoltaic system, compared with the generation of energy and the cost of labor and materials certified by the designer or installer of the solar energy system as originally proposed without the restrictions. A private entity may obtain an alternative bid and design from a solar energy system designer or installer for the purposes of this paragraph.

(c) A solar energy system must meet applicable standards and requirements imposed by the state and by governmental units, as defined in section 462.384.

(d) A solar energy system for heating water must be certified by the Solar Rating Certification Corporation (SRCC) or an equivalent certification agency. A solar energy system for producing electricity must meet all applicable safety and performance standards established by the National Electrical Code, the Institute of Electrical and Electronics Engineers, and accredited testing laboratories, including, but not limited to, Underwriters Laboratories and, where applicable, rules of the Public Utilities Commission regarding safety and reliability.

(e) If approval by a private entity is required for the installation or use of a solar energy system, the application for approval must be processed and approved in the same manner as an application for approval of an architectural modification to the property, and must not be willfully avoided or delayed. A private entity shall approve or deny an application in writing. If an application is not denied in writing within 60 days from the date of receipt of the application, the application is deemed approved unless the delay is the result of a reasonable request for additional information.

Sec. 13. Minnesota Statutes 2012, section 515.07, is amended to read:

515.07 COMPLIANCE WITH COVENANTS, BYLAWS, AND RULES.

Each apartment owner shall comply strictly with the bylaws and with the administrative rules adopted pursuant thereto, as either of the same may be lawfully amended from time to time, and with the covenants, conditions, and restrictions set forth in the declaration or in the owner's deed to the apartment. Failure to comply with any of the same shall be ground for an action to recover sums due, for damages or injunctive relief or both maintainable by the manager or board of directors on behalf of the association of apartment owners or, in a proper case, by an aggrieved apartment owner. This chapter is subject to ~~section~~ sections 500.215 and 500.216.

Sec. 14. Minnesota Statutes 2012, section 515B.2-103, is amended to read:

515B.2-103 CONSTRUCTION AND VALIDITY OF DECLARATION AND BYLAWS.

(a) All provisions of the declaration and bylaws are severable.

(b) The rule against perpetuities may not be applied to defeat any provision of the declaration or this chapter, or any instrument executed pursuant to the declaration or this chapter.

(c) In the event of a conflict between the provisions of the declaration and the bylaws, the declaration prevails except to the extent that the declaration is inconsistent with this chapter.

(d) The declaration and bylaws must comply with ~~section~~ sections 500.215 and 500.216.

Sec. 15. Minnesota Statutes 2012, section 515B.3-102, is amended to read:

515B.3-102 POWERS OF UNIT OWNERS' ASSOCIATION.

(a) Except as provided in subsections (b) and (c), and subject to the provisions of the declaration or bylaws, the association shall have the power to:

(1) adopt, amend and revoke rules and regulations not inconsistent with the articles of incorporation, bylaws and declaration, as follows: (i) regulating the use of the common elements; (ii) regulating the use of the units, and conduct of unit occupants, which may jeopardize the health, safety or welfare of other occupants, which involves noise or other disturbing activity, or which may damage the common elements or other units; (iii) regulating or prohibiting animals; (iv) regulating changes in the appearance of the common elements and conduct which may damage the common interest community; (v) regulating the exterior appearance of the common interest community, including, for example, balconies and patios, window treatments, and signs and other displays, regardless of whether inside a unit; (vi) implementing the articles of incorporation, declaration and bylaws, and exercising the powers granted by this section; and (vii) otherwise facilitating the operation of the common interest community;

(2) adopt and amend budgets for revenues, expenditures and reserves, and levy and collect assessments for common expenses from unit owners;

(3) hire and discharge managing agents and other employees, agents, and independent contractors;

(4) institute, defend, or intervene in litigation or administrative proceedings (i) in its own name on behalf of itself or two or more unit owners on matters affecting the common elements or other matters affecting the common interest community or, (ii) with the consent of the owners of the affected units on matters affecting only those units;

- (5) make contracts and incur liabilities;
 - (6) regulate the use, maintenance, repair, replacement, and modification of the common elements and the units;
 - (7) cause improvements to be made as a part of the common elements, and, in the case of a cooperative, the units;
 - (8) acquire, hold, encumber, and convey in its own name any right, title, or interest to real estate or personal property, but (i) common elements in a condominium or planned community may be conveyed or subjected to a security interest only pursuant to section 515B.3-112, or (ii) part of a cooperative may be conveyed, or all or part of a cooperative may be subjected to a security interest, only pursuant to section 515B.3-112;
 - (9) grant or amend easements for public utilities, public rights-of-way or other public purposes, and cable television or other communications, through, over or under the common elements; grant or amend easements, leases, or licenses to unit owners for purposes authorized by the declaration; and, subject to approval by a vote of unit owners other than declarant or its affiliates, grant or amend other easements, leases, and licenses through, over or under the common elements;
 - (10) impose and receive any payments, fees, or charges for the use, rental, or operation of the common elements, other than limited common elements, and for services provided to unit owners;
 - (11) impose interest and late charges for late payment of assessments and, after notice and an opportunity to be heard before the board or a committee appointed by it, levy reasonable fines for violations of the declaration, bylaws, and rules and regulations of the association;
 - (12) impose reasonable charges for the review, preparation and recordation of amendments to the declaration, resale certificates required by section 515B.4-107, statements of unpaid assessments, or furnishing copies of association records;
 - (13) provide for the indemnification of its officers and directors, and maintain directors' and officers' liability insurance;
 - (14) provide for reasonable procedures governing the conduct of meetings and election of directors;
 - (15) exercise any other powers conferred by law, or by the declaration, articles of incorporation or bylaws; and
 - (16) exercise any other powers necessary and proper for the governance and operation of the association.
- (b) Notwithstanding subsection (a) the declaration or bylaws may not impose limitations on the power of the association to deal with the declarant which are more restrictive than the limitations imposed on the power of the association to deal with other persons.
- (c) Notwithstanding subsection (a), powers exercised under this section must comply with ~~section~~ sections 500.215 and 500.216.

Sec. 16. Laws 2013, chapter 57, section 2, is amended to read:

Sec. 2. **TRANSMISSION LINE; CERTIFICATE OF NEED REQUIRED AND EVIDENCE REQUIRED.**

(a) A high-voltage transmission line with a capacity of 100 kilovolts or more proposed to be located within a city in the metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2, for which a route permit application was filed between June 2011 and August 2011, and a certificate of need application was filed between

June 2012 and August 2012, to rebuild approximately eight miles of 69 kilovolt transmission with a high-voltage transmission line to meet local area distribution needs, must be approved in a certificate of need proceeding conducted under Minnesota Statutes, section 216B.243. The certificate of need may be approved only if the commission finds by clear and convincing evidence that there is no feasible and available distribution level alternative to the transmission line. In making its findings the commission shall consider the factors provided in applicable law and rules including, without limitation, cost-effectiveness, energy conservation, and the protection or enhancement of environmental quality.

(b) Further proceedings regarding the routing of a high-voltage transmission line described in this section shall be suspended until the Public Utilities Commission has made a determination that the transmission line is needed.

(c) If an application for a certificate of need described in paragraph (a) is withdrawn or otherwise abandoned, this section shall apply to any high-voltage transmission line of 100 kilovolts or more proposed to meet the same needs as the line described in paragraph (a) and that follows a route that is similar to that of the line subject to paragraph (a). In addition, a certificate of need for a line subject to this paragraph is not effective until 30 days following the adjournment of the regular legislative session next following commission approval of the certificate of need.

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

Sec. 17. **LEGISLATIVE ENERGY COMMISSION; PROPANE CONVERSION STRATEGIES.**

(a) The Legislative Energy Commission is required to investigate the feasibility of converting propane gas users to alternative sources of energy, including but not limited to renewable technologies, such as geothermal ground-source heat pumps and solar thermal, and nonrenewable sources, such as natural gas. The investigation, among other things, should assess the technical and economic issues for converting nonmetropolitan users of propane to users of alternative sources of heat. The investigation should assess to what extent increased residential weatherization efforts could decrease the need for delivered fuels.

(b) The commission is requested to complete its investigations so that any recommendations for legislation are completed by January 15, 2015.

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

Delete the title and insert:

"A bill for an act relating to energy; modifying, adding, or authorizing provisions governing medically necessary equipment, low-income rate discounts, interconnection of distributed renewable generation, electric vehicle charging tariffs, on-bill payment programs, energy efficiency programs, emissions reduction planning, certificates of need, solar energy systems, and transmission lines; requiring a report; amending Minnesota Statutes 2012, sections 216B.098, subdivision 5; 216B.16, subdivision 14; 216B.1611, by adding a subdivision; 216B.241, by adding subdivisions; 216B.2422, by adding a subdivision; 216B.243, subdivision 8; 216E.01, by adding a subdivision; 216E.04, subdivision 2; 515.07; 515B.2-103; 515B.3-102; Laws 2013, chapter 57, section 2; proposing coding for new law in Minnesota Statutes, chapters 216B; 216E; 500."

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

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

H. F. No. 2874, A bill for an act relating to health; making technical changes; eliminating or modernizing antiquated, unnecessary, and obsolete provisions; amending Minnesota Statutes 2012, sections 62J.50, subdivisions 1, 2; 62J.51; 62J.52, as amended; 62J.53; 62J.535; 62J.536, subdivision 2; 62J.54, subdivisions 1, 2, 3; 62J.56, subdivisions 1, 2, 3; 62J.581, subdivisions 1, 3, 4; 62J.61, subdivision 1; 122A.40, subdivision 12; 122A.41, subdivision 6; 144.12, subdivision 1; 154.25; 626.557, subdivision 12b; repealing Minnesota Statutes 2012, sections 62J.322; 62J.59; 62U.09; 144.011, subdivision 2; 144.0506; 144.071; 144.072; 144.076; 144.146, subdivision 1; 144.1475; 144.443; 144.444; 144.45; 144.495; 145.132; 145.97; 145.98, subdivisions 1, 3; 325F.181.

Reported the same back with the recommendation that the bill be placed on the General Register.

The report was adopted.

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

H. F. No. 2925, A bill for an act relating to public safety; compensating exonerated persons; amending Minnesota Statutes 2012, sections 590.01, by adding a subdivision; 609A.02, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 611.

Reported the same back with the recommendation that the bill 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. 2950, A bill for an act relating to human services; removing obsolete provisions from statute and rule relating to children and family services, health care, chemical and mental health services, continuing care, and operations; modifying provisions governing the elderly waiver, the alternative care program, and mental health services for children; amending Minnesota Statutes 2012, sections 13.46, subdivision 4; 245.4871, subdivisions 3, 6, 27; 245.4873, subdivision 2; 245.4874, subdivision 1; 245.4881, subdivisions 3, 4; 245.4882, subdivision 1; 245C.04, subdivision 1; 245C.05, subdivision 5; 246.0135; 246.325; 254B.05, subdivision 2; 256.01, subdivision 14b; 256.963, subdivision 2; 256.969, subdivision 9; 256B.0913, subdivisions 5a, 14; 256B.0915, subdivisions 3c, 3d, 3f, 3g; 256B.0943, subdivisions 8, 10, 12; 256B.69, subdivisions 2, 4b, 5, 5a, 5b, 6b, 6d, 17, 26, 29, 30; 256B.692, subdivisions 2, 5; 256D.02, subdivision 11; 256D.04; 256D.045; 256D.07; 256I.04, subdivision 3; 256I.05, subdivision 1c; 256J.425, subdivision 4; 518A.65; 595.06; 626.556, subdivision 3c; Minnesota Statutes 2013 Supplement, sections 245A.03, subdivision 7; 256B.0943, subdivisions 1, 2, 7; 256B.69, subdivisions 5c, 28; 256B.76, subdivision 4; 256D.02, subdivision 12a; 517.04; Laws 2013, chapter 108, article 3, section 48; repealing Minnesota Statutes 2012, sections 4.47; 119A.04, subdivision 1; 119B.09, subdivision 2; 119B.23; 119B.231; 119B.232; 245.0311; 245.0312; 245.072; 245.4861; 245.487, subdivisions 4, 5; 245.4871, subdivisions 7, 11, 18, 25; 245.4872; 245.4873, subdivisions 3, 6; 245.4875, subdivisions 3, 6, 7; 245.4883, subdivision 1; 245.490; 245.492, subdivisions 6, 8, 13, 19; 245.4932, subdivisions 2, 3, 4; 245.4933; 245.494; 245.63; 245.652; 245.69, subdivision 1; 245.714; 245.715; 245.717; 245.718; 245.721; 245.77; 245.821; 245.827; 245A.02, subdivision 7b; 245A.09, subdivision 12; 245A.11, subdivision 5; 246.012; 246.016; 246.023, subdivision 1; 246.28; 251.045; 252.05; 252.07; 252.09; 253B.22; 254.01; 254.03; 254.04; 254.06; 254.07; 254.09; 254.10; 254.11; 254A.05, subdivision 1; 254A.07, subdivisions 1, 2; 254A.16, subdivision 1; 254B.01, subdivision 1; 254B.04, subdivision 3; 256.01, subdivisions 3, 14, 14a; 256.959; 256.964; 256.9691; 256.971; 256.975, subdivision 3; 256.9753, subdivision 4; 256.9792; 256B.04, subdivision 16; 256B.0656; 256B.0657; 256B.075, subdivision 4; 256B.0757,

subdivision 7; 256B.0913, subdivision 9; 256B.0916, subdivisions 6, 6a; 256B.0928; 256B.19, subdivision 3; 256B.431, subdivisions 28, 31, 33, 34, 37, 38, 39, 40, 41, 43; 256B.434, subdivision 19; 256B.440; 256B.441, subdivisions 46, 46a; 256B.491; 256B.501, subdivisions 3a, 3b, 3h, 3j, 3k, 3l, 5e; 256B.5016; 256B.503; 256B.53; 256B.69, subdivisions 5e, 6c, 24a; 256B.692, subdivision 10; 256D.02, subdivision 19; 256D.05, subdivision 4; 256D.46; 256I.05, subdivisions 1b, 5; 256I.07; 256J.24, subdivision 10; 256K.35; 259.85, subdivisions 2, 3, 4, 5; 518A.53, subdivision 7; 518A.74; 626.557, subdivision 16; 626.5593; Minnesota Statutes 2013 Supplement, sections 246.0251; 254.05; 254B.13, subdivision 3; 256B.31; 256B.501, subdivision 5b; 256C.05; 256C.29; 259.85, subdivision 1; Minnesota Rules, parts 9549.0020, subparts 2, 12, 13, 20, 23, 24, 25, 26, 27, 30, 31, 32, 33, 34, 35, 36, 38, 41, 42, 43, 44, 46, 47; 9549.0030; 9549.0035, subparts 4, 5, 6; 9549.0036; 9549.0040; 9549.0041, subparts 1, 2, 3, 4, 5, 7, 8, 9, 10, 11, 12, 13, 14, 15; 9549.0050; 9549.0051, subparts 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14; 9549.0053; 9549.0054; 9549.0055, subpart 4; 9549.0056; 9549.0060, subparts 1, 2, 3, 8, 9, 12, 13; 9549.0061; 9549.0070, subparts 1, 4.

Reported the same back with the recommendation that the bill be placed on the General Register.

The report was adopted.

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

H. F. No. 3073, A bill for an act relating to insurance; modifying certain regulations to reduce the incidence of insurance fraud; regulating no-fault auto benefits; regulating certain property and casualty coverages; limiting reimbursement for certain prescription drugs; regulating batch billing; modifying certain economic benefits under chapter 65B; establishing a task force on motor vehicle insurance coverage verification; amending Minnesota Statutes 2012, sections 13.7191, subdivision 16; 60A.952, subdivision 3; 65B.44, subdivisions 2, 3, 4, 6, by adding a subdivision; 65B.525, by adding a subdivision; 65B.54, subdivision 2; 72A.502, subdivision 2; 604.18, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 60A; 65B; repealing Minnesota Statutes 2012, section 72A.327.

Reported the same back with the recommendation that the bill be placed on the General Register.

The report was adopted.

Simon from the Committee on Elections to which was referred:

H. F. No. 3115, A bill for an act relating to elections; authorizing the Saint Louis County Board to change a certain Board of Commissioners 2014 election term to two years.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **SAINT LOUIS COUNTY BOARD OF COMMISSIONERS; CHANGE IN STAGGERED TERMS.**

Notwithstanding any terms of office for county board commissioners in effect on the date of final enactment of this act, the Saint Louis County Board may designate, for purposes of the 2014 election, that the commissioner for District 7 shall be elected to serve a term of two years. For purposes of subsequent elections, the commissioner for District 7 shall be elected for four years. The legislature finds that the terms authorized under this act comply with the staggered term provisions of Minnesota Statutes, section 375.025, subdivision 4.

EFFECTIVE DATE; LOCAL APPROVAL. This section is effective upon compliance by the Saint Louis County Board and its chief clerical officer with Minnesota Statutes, section 645.021, subdivisions 2 and 3, and once effective applies until a new redistricting plan is filed with the office of the auditor of Saint Louis County under Minnesota Statutes, section 375.025, subdivision 4."

Amend the title as follows:

Page 1, line 2, delete "a"

Page 1, line 3, delete everything before the period and insert "to two years the term of a certain member to be elected in 2014"

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

Simon from the Committee on Elections to which was referred:

H. F. No. 3178, A bill for an act relating to school board elections; providing a process to dissolve election districts without entering into a consolidation or cooperation and combination plan; amending Minnesota Statutes 2012, section 205A.12, subdivision 7.

Reported the same back with the recommendation that the bill be placed on the General Register.

The report was adopted.

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

S. F. No. 663, A bill for an act relating to state government; making changes to resource recovery provisions; amending Minnesota Statutes 2012, section 115A.15, subdivisions 2, 9, 10.

Reported the same back with the recommendation that the bill be placed on the General Register.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 435, 2120, 2156, 2198, 2397, 2402, 2467, 2523, 2569, 2613, 2795, 2830, 2834, 2874, 2950, 3073, 3115 and 3178 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 2004 and 663 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Bly introduced:

H. F. No. 3319, A bill for an act relating to agriculture finance; appropriating money for the best management practices project at the University of Minnesota.

The bill was read for the first time and referred to the Committee on Agriculture Policy.

Barrett introduced:

H. F. No. 3320, A bill for an act relating to state government; reducing the number of members of the legislature; amending Minnesota Statutes 2012, sections 2.021; 2.031, subdivision 1.

The bill was read for the first time and referred to the Committee on Government Operations.

Marquart and Erickson, R., introduced:

H. F. No. 3321, A bill for an act relating to taxation; sales and use; making a sales tax exemption on school tickets and admissions permanent; amending Laws 2006, chapter 257, section 2, as amended.

The bill was read for the first time and referred to the Committee on Taxes.

Runbeck introduced:

H. F. No. 3322, A bill for an act relating to retirement; Centennial Volunteer Firefighters Relief Association and the cities of Lino Lakes, Circle Pines, and Centerville; providing for continued retirement coverage by the current relief association upon the withdrawal of one city from the Centennial Fire Department joint powers agreement.

The bill was read for the first time and referred to the Committee on Government Operations.

Runbeck introduced:

H. F. No. 3323, A bill for an act relating to retirement; volunteer firefighters relief associations and the cities of Lino Lakes, Circle Pines, and Centerville; providing for the division of the Centennial Volunteer Firefighters Relief Association into a residual relief association and the Lino Lakes Volunteer Firefighters Relief Association.

The bill was read for the first time and referred to the Committee on Government Operations.

Metsa introduced:

H. F. No. 3324, A bill for an act relating to education; authorizing the school board of Independent School District No. 2142, St. Louis County, to hold board meetings outside the district.

The bill was read for the first time and referred to the Committee on Education Policy.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 2385, A bill for an act relating to civil actions; adjusting certain time limits relating to the certification of expert review because of recent amendments to the Minnesota Rules of Civil Procedure; amending Minnesota Statutes 2012, sections 145.682, subdivisions 2, 4; 544.42, subdivisions 2, 4.

JOANNE M. ZOFF, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 1509.

JOANNE M. ZOFF, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1509, A bill for an act relating to state government; designating March 31 as Cesar Chavez Day; proposing coding for new law in Minnesota Statutes, chapter 10.

The bill was read for the first time.

Mariani moved that S. F. No. 1509 and H. F. No. 1631, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

CALENDAR FOR THE DAY

S. F. No. 1892 was reported to the House.

Lillie moved to amend S. F. No. 1892, as introduced, as follows:

Delete everything after the enacting clause and insert the following language of H. F. No. 1979, the first engrossment:

"Section 1. Minnesota Statutes 2012, section 161.14, is amended by adding a subdivision to read:

Subd. 74. **Officer Richard Crittenden, Sr., Memorial Highway.** That segment of marked Trunk Highway 36 located within the city limits of North St. Paul shall be designated as the "Officer Richard Crittenden, Sr., Memorial Highway." Subject to section 161.139, the commissioner shall adopt a suitable design to mark this highway and erect appropriate signs directly adjacent to the marked Trunk Highway 36 roadway, excluding entrance and exit ramps."

Delete the title and insert:

"A bill for an act relating to transportation; highways; designating a segment of marked Trunk Highway 36 as Officer Richard Crittenden, Sr., Memorial Highway; amending Minnesota Statutes 2012, section 161.14, by adding a subdivision."

The motion prevailed and the amendment was adopted.

S. F. No. 1892, A bill for an act relating to transportation; highways; designating a segment of marked Trunk Highway 36 as Officer Richard Crittenden Memorial Highway; amending Minnesota Statutes 2012, section 161.14, by adding a subdivision.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Davnie	Green	Kieffer	Melin	Poppe
Albright	Dean, M.	Gruenhagen	Kiel	Metsa	Pugh
Allen	Dehn, R.	Gunther	Kresha	Moran	Quam
Anderson, M.	Dettmer	Hackbarth	Laine	Morgan	Radinovich
Anderson, P.	Dill	Halverson	Lenczewski	Mullery	Rosenthal
Anderson, S.	Dorholt	Hansen	Lesch	Murphy, E.	Runbeck
Anzelc	Drazkowski	Hausman	Liebling	Murphy, M.	Sanders
Atkins	Erhardt	Hertaus	Lien	Myhra	Savick
Barrett	Erickson, R.	Holberg	Lillie	Nelson	Sawatzky
Beard	Erickson, S.	Hornstein	Loeffler	Newberger	Schoen
Benson, M.	Fabian	Hortman	Loon	Newton	Schomacker
Bernardy	Falk	Howe	Mack	Nornes	Scott
Bly	Faust	Huntley	Mahoney	Norton	Selcer
Brynaert	Fischer	Isaacson	Mariani	O'Driscoll	Simon
Carlson	FitzSimmons	Johnson, B.	Marquart	O'Neill	Simonson
Clark	Franson	Johnson, C.	Masin	Paymar	Slocum
Cornish	Freiberg	Johnson, S.	McDonald	Pelowski	Sundin
Daudt	Fritz	Kahn	McNamar	Peppin	Swedzinski
Davids	Garofalo	Kelly	McNamara	Petersburg	Theis

Torkelson	Wagenius	Wills	Yarusso	Spk. Thissen
Uglem	Ward, J.A.	Winkler	Zellers	
Urdahl	Ward, J.E.	Woodard	Zerwas	

The bill was passed, as amended, and its title agreed to.

H. F. No. 2219 was reported to the House.

Barrett moved to amend H. F. No. 2219 as follows:

Page 1, delete line 10 and insert "southwestern border of Chisago City to the eastern border of"

Page 1, line 11, delete "Chisago" and insert "Center"

The motion prevailed and the amendment was adopted.

H. F. No. 2219, A bill for an act relating to transportation; highways; designating Nicholas Patrick Spehar Memorial Highway; amending Minnesota Statutes 2012, section 161.14, by adding a subdivision.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed, as amended, and its title agreed to.

H. F. No. 2188 was reported to the House.

Hortman moved to amend H. F. No. 2188 as follows:

Page 3, line 33, after the final period, insert "If a spouse who is neither a grantor owner nor an owner joins in the execution of, or consents in writing to, the transfer on death deed, such joinder or consent shall be conclusive proof that upon the transfer becoming effective, the spouse no longer has or can claim any statutory interest or other marital interest in the interest in real property transferred by the transfer on death deed. However, such transfer shall remain an interest as identified in section 256B.15 for purposes of complying with and satisfying any claim or lien as authorized by subdivision 3 of this section."

Page 4, line 12, delete "If a spouse who is neither a grantor"

Page 4, delete lines 13 to 15

Page 4, line 16, delete everything before "A"

The motion prevailed and the amendment was adopted.

H. F. No. 2188, A bill for an act relating to real property; making clarifying and conforming changes relating to ownership of real estate by spouses and mortgage redemption periods; modifying transfer on death deeds; amending Minnesota Statutes 2012, sections 287.20, subdivision 3a; 358.14; 507.02; 507.071, subdivisions 1, 2, 3, 6, 8, 10; 580.26; Minnesota Statutes 2013 Supplement, section 507.403, subdivision 5a.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Davids	Garofalo	Johnson, S.	McDonald	Pelowski
Albright	Davnie	Green	Kahn	McNamar	Peppin
Allen	Dean, M.	Gruenhagen	Kelly	McNamara	Petersburg
Anderson, M.	Dehn, R.	Gunther	Kieffer	Melin	Poppe
Anderson, P.	Dettmer	Hackbarth	Kiel	Metsa	Pugh
Anderson, S.	Dill	Halverson	Kresha	Moran	Quam
Anzelc	Dorholt	Hamilton	Laine	Morgan	Radinovich
Atkins	Drazkowski	Hansen	Lenczewski	Mullery	Rosenthal
Barrett	Erhardt	Hausman	Lesch	Murphy, E.	Runbeck
Beard	Erickson, R.	Hertaus	Liebling	Murphy, M.	Sanders
Benson, J.	Erickson, S.	Holberg	Lien	Myhra	Savick
Benson, M.	Fabian	Hoppe	Lillie	Nelson	Sawatzky
Bernardy	Falk	Hornstein	Loeffler	Newberger	Schoen
Bly	Faust	Hortman	Loon	Newton	Schomacker
Brynaert	Fischer	Howe	Mack	Nornes	Scott
Carlson	FitzSimmons	Huntley	Mahoney	Norton	Selcer
Clark	Franson	Isaacson	Mariani	O'Driscoll	Simon
Cornish	Freiberg	Johnson, B.	Marquart	O'Neill	Simonson
Daudt	Fritz	Johnson, C.	Masin	Paymar	Slocum

Sundin	Torkelson	Wagenius	Wills	Yarusso
Swedzinski	Uglem	Ward, J.A.	Winkler	Zerwas
Theis	Urdahl	Ward, J.E.	Woodard	Spk. Thissen

The bill was passed, as amended, and its title agreed to.

H. F. No. 2190 was reported to the House.

Rosenthal moved to amend H. F. No. 2190 as follows:

Page 2, line 6, delete "original"

Page 2, delete lines 7 and 8, and insert "review and is submitted within six months of its approval date;"

The motion prevailed and the amendment was adopted.

H. F. No. 2190, A bill for an act relating to business organizations; providing a prefiling document review; regulating limited liability companies and business corporations; amending Minnesota Statutes 2012, sections 80B.01, subdivision 6; 302A.011, subdivisions 18, 63, 64; 302A.111, subdivisions 2, 4; 302A.137; 302A.351; 302A.361; 302A.423, subdivision 2; 302A.441, subdivision 3; 302A.471, subdivision 1; 302A.473, subdivision 1; 302A.611, subdivision 1; 302A.621, subdivision 3; 302A.641, subdivision 2; 302A.651, subdivision 4; 302A.681, subdivision 1, by adding a subdivision; 302A.683; 302A.685; 302A.687; 302A.689; 302A.691, subdivisions 2, 3; 302A.734, subdivision 2; 322B.115, subdivision 2; 322B.155; 322B.35, subdivision 3; 322B.386, subdivision 1; 322B.689; 322B.69; 322B.71, subdivision 1; 322B.75, subdivision 2; 322B.76, subdivision 4; 322B.78; 322B.826, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 5.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 95 yeas and 32 nays as follows:

Those who voted in the affirmative were:

Abeler	Dehn, R.	Hansen	Liebling	Murphy, E.	Scott
Allen	Dill	Hausman	Lien	Murphy, M.	Selcer
Anderson, P.	Dorholt	Hoppe	Lillie	Nelson	Simon
Anderson, S.	Erhardt	Hornstein	Loeffler	Newton	Simonson
Anzelc	Erickson, R.	Hortman	Mack	Norton	Slocum
Atkins	Fabian	Huntley	Mahoney	O'Driscoll	Sundin
Barrett	Falk	Isaacson	Mariani	O'Neill	Uglem
Beard	Faust	Johnson, C.	Marquart	Paymar	Urdahl
Benson, J.	Fischer	Johnson, S.	Masin	Pelowski	Wagenius
Bernardy	FitzSimmons	Kahn	McNamar	Poppe	Ward, J.A.
Bly	Franson	Kelly	McNamara	Radinovich	Ward, J.E.
Brynaert	Freiberg	Kieffer	Melin	Rosenthal	Winkler
Carlson	Fritz	Kresha	Metsa	Runbeck	Yarusso
Clark	Gunther	Laine	Moran	Savick	Zerwas
Cornish	Halverson	Lenczewski	Morgan	Sawatzky	Spk. Thissen
Davnie	Hamilton	Lesch	Mullery	Schoen	

Those who voted in the negative were:

Albright	Drazkowski	Hertaus	Myhra	Quam	Wills
Anderson, M.	Erickson, S.	Howe	Newberger	Sanders	Woodard
Benson, M.	Garofalo	Johnson, B.	Nornes	Schomacker	
Daudt	Green	Kiel	Peppin	Swedzinski	
Davids	Gruenhagen	Loon	Petersburg	Theis	
Dettmer	Hackbarth	McDonald	Pugh	Torkelson	

The bill was passed, as amended, and its title agreed to.

H. F. No. 2835 was reported to the House.

Masin moved to amend H. F. No. 2835 as follows:

Page 3, after line 10, insert:

"EFFECTIVE DATE. This section is effective August 1, 2014, and applies to signs as they are first installed or replaced in ordinary course after the effective date."

The motion prevailed and the amendment was adopted.

H. F. No. 2835, as amended, was read for the third time.

The Speaker called Hortman to the Chair.

Drazkowski moved that H. F. No. 2835, as amended, be re-referred to the Committee on Transportation Policy.

A roll call was requested and properly seconded.

The question was taken on the Drazkowski motion and the roll was called. There were 57 yeas and 73 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

The motion did not prevail.

H. F. No. 2835, A bill for an act relating to public safety; traffic regulations; modifying provisions governing disability parking; amending Minnesota Statutes 2012, section 168.021, subdivisions 1, 3; Minnesota Statutes 2013 Supplement, section 169.346, subdivision 2.

The bill, as amended, was placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 74 yeas and 56 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Abeler	Dettmer	Gunther	Kiel	Peppin	Torkelson
Albright	Dill	Hackbarth	Kresha	Petersburg	Uglen
Anderson, M.	Drazkowski	Hamilton	Loon	Pugh	Wills
Anderson, P.	Erickson, S.	Hertaus	Mack	Quam	Woodard
Anderson, S.	Fabian	Holberg	McDonald	Runbeck	Zellers
Barrett	FitzSimmons	Hoppe	Myhra	Sanders	Zerwas
Benson, M.	Franson	Howe	Newberger	Schomacker	
Daudt	Garofalo	Johnson, B.	Nornes	Scott	
Davids	Green	Kelly	O'Driscoll	Swedzinski	
Dean, M.	Gruenhagen	Kieffer	O'Neill	Theis	

The bill was passed, as amended, and its title agreed to.

S. F. No. 2100, A bill for an act relating to public safety; deputy registrars; removing the residency requirement for deputy registrars; amending Minnesota Statutes 2012, section 168.33, subdivision 2.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 2858, A bill for an act relating to transportation; amending regulation of limousines; amending Minnesota Statutes 2012, sections 65B.135; 168.002, subdivision 15; 168.128, subdivisions 2, 3; 221.84, subdivision 1.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 120 yeas and 9 nays as follows:

Those who voted in the affirmative were:

Albright	Atkins	Bernardy	Cornish	Dettmer	Fabian
Allen	Barrett	Bly	Davids	Dill	Falk
Anderson, M.	Beard	Brynaert	Davnie	Dorholt	Faust
Anderson, S.	Benson, J.	Carlson	Dean, M.	Erhardt	Fischer
Anzelc	Benson, M.	Clark	Dehn, R.	Erickson, R.	FitzSimmons

Franson	Hortman	Lien	Mullery	Quam	Swedzinski
Freiberg	Huntley	Lillie	Murphy, E.	Radinovich	Theis
Fritz	Isaacson	Loeffler	Murphy, M.	Rosenthal	Torkelson
Garofalo	Johnson, B.	Mack	Myhra	Runbeck	Uglem
Green	Johnson, C.	Mahoney	Nelson	Sanders	Urdahl
Gruenhagen	Johnson, S.	Mariani	Newberger	Savick	Wagenius
Gunther	Kahn	Marquart	Newton	Sawatzky	Ward, J.A.
Halverson	Kelly	Masin	Nornes	Schoen	Ward, J.E.
Hamilton	Kieffer	McDonald	Norton	Schomacker	Wills
Hansen	Kiel	McNamar	O'Driscoll	Scott	Winkler
Hertaus	Kresha	McNamara	O'Neill	Selcer	Woodard
Hilstrom	Laine	Melin	Paymar	Simon	Yarusso
Holberg	Lenczewski	Metsa	Pelowski	Simonson	Zellers
Hoppe	Lesch	Moran	Petersburg	Slocum	Zerwas
Hornstein	Liebling	Morgan	Poppe	Sundin	Spk. Thissen

Those who voted in the negative were:

Abeler	Drazkowski	Hackbarth	Loon	Pugh
Daudt	Erickson, S.	Howe	Peppin	

The bill was passed and its title agreed to.

MOTIONS AND RESOLUTIONS

Dehn, R., moved that the name of Selcer be added as an author on H. F. No. 276. The motion prevailed.

Simon moved that the name of Kahn be added as an author on H. F. No. 367. The motion prevailed.

Benson, J., moved that the name of Halverson be added as an author on H. F. No. 396. The motion prevailed.

Schoen moved that the names of Drazkowski, Morgan and Allen be added as authors on H. F. No. 435. The motion prevailed.

Atkins moved that the name of Davnie be added as an author on H. F. No. 1066. The motion prevailed.

Fritz moved that the name of Lillie be added as an author on H. F. No. 1295. The motion prevailed.

Murphy, E., moved that the name of Albright be added as an author on H. F. No. 1881. The motion prevailed.

Savick moved that the name of Lillie be added as an author on H. F. No. 2241. The motion prevailed.

Anderson, M., moved that his name be stricken as an author on H. F. No. 2281. The motion prevailed.

Mariani moved that the name of Brynaert be added as an author on H. F. No. 2397. The motion prevailed.

Mariani moved that the name of Halverson be added as an author on H. F. No. 2493. The motion prevailed.

Norton moved that the name of Davnie be added as an author on H. F. No. 2526. The motion prevailed.

Lesch moved that the name of Marquart be added as an author on H. F. No. 2582. The motion prevailed.

Abeler moved that the names of Wills and Erickson, S., be added as authors on H. F. No. 2766. The motion prevailed.

Hortman moved that the name of Kahn be added as an author on H. F. No. 2834. The motion prevailed.

Lenczewski moved that the name of Sawatzky be added as an author on H. F. No. 2855. The motion prevailed.

Clark moved that the names of Kahn and Fischer be added as authors on H. F. No. 3140. The motion prevailed.

Marquart moved that the name of Brynaert be added as an author on H. F. No. 3171. The motion prevailed.

Dauids moved that the name of Drazkowski be added as an author on H. F. No. 3317. The motion prevailed.

Murphy, E., introduced:

House Concurrent Resolution No. 1, A House concurrent resolution relating to adjournment for more than three days.

SUSPENSION OF RULES

Murphy, E., moved that the rules be so far suspended that House Concurrent Resolution No. 1 be now considered and be placed upon its adoption. The motion prevailed.

HOUSE CONCURRENT RESOLUTION NO. 1

A House concurrent resolution relating to adjournment for more than three days.

Be It Resolved, by the House of Representatives of the State of Minnesota, the Senate concurring:

1. Upon their adjournments on Thursday, April 10, 2014, the House of Representatives and Senate may each set its next day of meeting for Tuesday, April 22, 2014.
2. Each house consents to the adjournment of the other house for more than three days.

Murphy, E., moved that House Concurrent Resolution No. 1 be now adopted. The motion prevailed and House Concurrent Resolution No. 1 was adopted.

FitzSimmons moved that H. F. No. 3312 be recalled from the Committee on Transportation Finance and be re-referred to the Committee on Capital Investment. The motion prevailed.

ADJOURNMENT

Murphy, E., moved that when the House adjourns today it adjourn until 10:00 a.m., Tuesday, April 1, 2014. The motion prevailed.

Murphy, E., moved that the House adjourn. The motion prevailed, and Speaker pro tempore Hortman declared the House stands adjourned until 10:00 a.m., Tuesday, April 1, 2014.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives