

## STATE OF MINNESOTA

## NINETIETH SESSION — 2017

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 TWENTY-THIRD DAY

SAINT PAUL, MINNESOTA, THURSDAY, MARCH 2, 2017

The House of Representatives convened at 3:30 p.m. and was called to order by Kurt Daudt, Speaker of the House.

Prayer was offered by the Very Reverend Paul J. Lebens-Englund, St. Mark's Episcopal Cathedral, Minneapolis, 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:

Albright	Davids	Hansen	Liebling	Nornes	Schultz
Allen	Davnie	Hausman	Lien	O'Driscoll	Scott
Anderson, P.	Dean, M.	Heintzeman	Lillie	Olson	Slocum
Anderson, S.	Dehn, R.	Hertaus	Loeffler	Omar	Smith
Anselmo	Drazkowski	Hilstrom	Lohmer	O'Neill	Sundin
Applebaum	Ecklund	Hornstein	Loon	Pelowski	Swedzinski
Backer	Erickson	Hortman	Loonan	Peppin	Theis
Bahr, C.	Fabian	Howe	Lucero	Petersburg	Thissen
Baker	Fenton	Jessup	Lueck	Peterson	Torkelson
Barr, R.	Fischer	Johnson, B.	Mahoney	Pierson	Uglen
Becker-Finn	Flanagan	Johnson, C.	Marquart	Pinto	Urdahl
Bennett	Franke	Johnson, S.	Masin	Poppe	Vogel
Bernardy	Franson	Jurgens	Maye Quade	Poston	Wagenius
Bliss	Freiberg	Kiel	McDonald	Pryor	Ward
Bly	Garofalo	Knoblach	Miller	Pugh	West
Carlson, A.	Green	Koegel	Moran	Quam	Whelan
Carlson, L.	Grossell	Koznick	Murphy, E.	Rarick	Youakim
Christensen	Gruenhagen	Kresha	Murphy, M.	Rosenthal	Zerwas
Clark	Gunther	Kunesh-Podein	Nash	Runbeck	Spk. Daudt
Considine	Haley	Layman	Nelson	Sandstede	
Cornish	Halverson	Lee	Neu	Sauke	
Daniels	Hamilton	Lesch	Newberger	Schomacker	

A quorum was present.

Hoppe, Metsa and Wills were excused.

Mariani was excused until 4:00 p.m. Dettmer was excused until 4:05 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 STANDING COMMITTEES AND DIVISIONS

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

H. F. No. 5, A bill for an act relating to insurance; health; creating a state-operated reinsurance program; appropriating money; amending Minnesota Statutes 2016, section 62E.10, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 62E.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2016, section 62E.10, subdivision 2, is amended to read:

Subd. 2. **Board of directors; organization.** (a) For purposes of this subdivision: (1) "contributing member" means a contributing member or an eligible health carrier, as defined in section 62E.22, subdivision 8; and (2) "plan enrollee" means a plan enrollee or an enrollee in an individual health plan, as defined in section 62E.22, subdivision 9.

(b) The board of directors of the association shall be made up of eleven members as follows: six directors selected by contributing members, subject to approval by the commissioner, one of which must be a health actuary; five public directors selected by the commissioner, at least two of whom must be plan enrollees, two of whom are covered under an individual plan ~~subject to assessment under section 62E.11~~ or group plan offered by an employer ~~subject to assessment under section 62E.11~~, and one of whom must be a licensed insurance agent. At least two of the public directors must reside outside of the seven-county metropolitan area. In determining voting rights at members' meetings, each member shall be entitled to vote in person or proxy. The vote shall be a weighted vote based upon the member's cost of self-insurance, accident and health insurance premium, subscriber contract charges, health maintenance contract payment, or community integrated service network payment derived from or on behalf of Minnesota residents in the previous calendar year, as determined by the commissioner. In approving directors of the board, the commissioner shall consider, among other things, whether all types of members are fairly represented. Directors selected by contributing members may be reimbursed from the money of the association for expenses incurred by them as directors, but shall not otherwise be compensated by the association for their services. The costs of conducting meetings of the association and its board of directors shall be borne by members of the association.

Sec. 2. Minnesota Statutes 2016, section 62E.11, subdivision 5, is amended to read:

Subd. 5. **Allocation of losses.** (a) For purposes of this subdivision: (1) "contributing member" means a contributing member or an eligible health carrier, as defined in section 62E.22, subdivision 8; and (2) "plan enrollee" means a plan enrollee or an enrollee in an individual health plan, as defined in section 62E.22, subdivision 9.

(b) Each contributing member of the association shall share the losses due to claims expenses of: (1) the comprehensive health insurance plan for plans issued or approved for issuance by the association, ~~and~~; or (2) the Minnesota premium security plan, as defined in section 62E.22, subdivision 12.

(c) Each contributing member shall share in the operating and administrative expenses incurred or estimated to be incurred by the association incident to the conduct of its affairs. Claims expenses of the state plan which exceed the premium payments allocated to the payment of benefits shall be the liability of the contributing members. Claims expenses of the Minnesota premium security plan which exceed funding allocated to reinsurance payments shall be the liability of the contributing members. Contributing members shall share in the claims expense of the state plan and Minnesota premium security plan and operating and administrative expenses of the association in an

amount equal to the ratio of the contributing member's total accident and health insurance premium, received from or on behalf of Minnesota residents as divided by the total accident and health insurance premium, received by all contributing members from or on behalf of Minnesota residents, as determined by the commissioner. Payments made by the state to a contributing member for medical assistance or MinnesotaCare services according to chapters 256 and 256B shall be excluded when determining a contributing member's total premium.

Sec. 3. Minnesota Statutes 2016, section 62E.11, subdivision 6, is amended to read:

Subd. 6. **Member assessments.** The association shall make an annual determination of each contributing member's liability for the state plan or the Minnesota premium security plan, as defined in section 62E.22, subdivision 12, if any, and may make an annual fiscal year end assessment if necessary. The association may also, subject to the approval of the commissioner, provide for interim assessments against the contributing members whose aggregate assessments comprised a minimum of 90 percent of the most recent prior annual assessment, in the event that the association deems that methodology to be the most administratively efficient and cost-effective means of assessment, and as may be necessary to assure the financial capability of the association in meeting the incurred or estimated claims expenses of the state plan or Minnesota premium security plan and operating and administrative expenses of the association until the association's next annual fiscal year end assessment. Payment of an assessment shall be due within 30 days of receipt by a contributing member of a written notice of a fiscal year end or interim assessment. Failure by a contributing member to tender to the association the assessment within 30 days shall be grounds for termination of the contributing member's membership and ability to offer, issue, or renew policies of accident and health or sickness insurance policies in this state. A contributing member which ceases to do accident and health insurance business within the state shall remain liable for assessments through the calendar year during which accident and health insurance business ceased. The association may decline to levy an assessment against a contributing member if the assessment, as determined herein, would not exceed ten dollars.

Sec. 4. **[62E.21] TITLE.**

Sections 62E.21 to 62E.25 may be cited as the "Minnesota Premium Security Plan Act."

Sec. 5. **[62E.22] DEFINITIONS.**

Subdivision 1. **Applicability.** For the purposes of sections 62E.21 to 62E.25, the terms defined in this section have the meanings given them.

Subd. 2. **Affordable Care Act.** "Affordable Care Act" means the federal act as defined in section 62A.011, subdivision 1a.

Subd. 3. **Attachment point.** "Attachment point" means an amount as provided in section 62E.23, subdivision 2, paragraph (b).

Subd. 4. **Benefit year.** "Benefit year" means the calendar year for which an eligible health carrier provides coverage through an individual health plan.

Subd. 5. **Board.** "Board" means the board of directors of the Minnesota Comprehensive Health Association created under section 62E.10.

Subd. 6. **Coinsurance rate.** "Coinsurance rate" means the rate as provided in section 62E.23, subdivision 2, paragraph (c).

Subd. 7. **Commissioner.** "Commissioner" means the commissioner of commerce.

Subd. 8. **Eligible health carrier.** "Eligible health carrier" means all of the following that offer individual health plans and incur claims costs for an individual enrollee's covered benefits in the applicable benefit year:

(1) an insurance company licensed under chapter 60A to offer, sell, or issue a policy of accident and sickness insurance as defined in section 62A.01;

(2) a nonprofit health service plan corporation operating under chapter 62C; or

(3) a health maintenance organization operating under chapter 62D.

Subd. 9. **Individual health plan.** "Individual health plan" means a health plan as defined in section 62A.011, subdivision 4, that is not a grandfathered plan as defined in section 62A.011, subdivision 1b.

Subd. 10. **Individual market.** "Individual market" means the market for individual health insurance coverage as defined in section 62A.011, subdivision 5.

Subd. 11. **Minnesota Comprehensive Health Association or association.** "Minnesota Comprehensive Health Association" or "association" means the association as defined in section 62E.02, subdivision 14.

Subd. 12. **Minnesota premium security plan or plan.** "Minnesota premium security plan" or "plan" means the state-based reinsurance program created under this act.

Subd. 13. **Payment parameters.** "Payment parameters" means the attachment point, reinsurance cap, and coinsurance rate for the plan.

Subd. 14. **Reinsurance cap.** "Reinsurance cap" means the threshold amount as provided in section 62E.23, subdivision 2, paragraph (d).

Subd. 15. **Reinsurance payments.** "Reinsurance payments" means an amount paid by the association to an eligible health carrier under the plan.

## Sec. 6. **[62E.23] MINNESOTA PREMIUM SECURITY PLAN.**

Subdivision 1. **Administration of plan.** (a) The association shall administer the plan.

(b) The association may apply for any available federal funding for the plan. All funds received by or appropriated to the association shall be deposited in the premium security plan account.

(c) The association must collect data from an eligible health carrier that are necessary to determine reinsurance payments, according to the data requirements under subdivision 5.

(d) The board must not use any funds allocated to the plan for staff retreats, promotional giveaways, excessive executive compensation, or promotion of federal or state legislative or regulatory changes.

(e) For each applicable benefit year, the association must notify eligible health carriers of reinsurance payments to be made for the applicable benefit year no later than June 30 of the year following the applicable benefit year.

(f) On a quarterly basis during the applicable benefit year, the association must provide each eligible health carrier with the calculation of total reinsurance payment requests.

(g) By August 15 of the year following the applicable benefit year, the association must disburse all applicable reinsurance payments to an eligible health carrier.

Subd. 2. **Payment parameters.** (a) The board must design and adjust the payment parameters to ensure the payment parameters:

(1) will stabilize or reduce premium rates in the individual market;

(2) will increase participation in the individual market;

(3) mitigate the impact high-risk individuals have on premium rates in the individual market;

(4) take into account any federal funding available for the plan;

(5) take into account the total amount available to fund the plan; and

(6) for benefit year 2019 and thereafter, include cost savings mechanisms related to the management of health care services.

(b) The attachment point for the plan is the threshold amount for claims costs incurred by an eligible health carrier for an enrolled individual's covered benefits in a benefit year, beyond which the claims costs for benefits are eligible for reinsurance payments. The attachment point shall be set by the board at \$50,000 or more, but not exceeding the reinsurance cap.

(c) The coinsurance rate for the plan is the rate at which the association will reimburse an eligible health carrier for claims incurred for an enrolled individual's covered benefits in a benefit year above the attachment point and below the reinsurance cap. The coinsurance rate shall be set by the board at a rate between 50 and 70 percent.

(d) The reinsurance cap is the threshold amount for claims costs incurred by an eligible health carrier for an enrolled individual's covered benefits, after which the claims costs for benefits are no longer eligible for reinsurance payments. The reinsurance cap shall be set by the board at \$250,000 or less.

Subd. 3. **Operation.** (a) The board shall propose to the commissioner the payment parameters for the next benefit year by January 15 of the year before the applicable benefit year. The commissioner shall review and approve the payment parameters no later than 14 days following the board's proposal. If the commissioner fails to approve the payment parameters within 14 days following the board's proposal, the proposed payment parameters are final and effective.

(b) If the approved payment parameters are not fully funded by the legislature by July 1 of the year before the applicable benefit year, the board, in consultation with the commissioner and the commissioner of management and budget, shall propose payment parameters within the available appropriations. The commissioner must permit an eligible health carrier to revise an applicable rate filing based on the final payment parameters for the next benefit year.

Subd. 4. **Calculation of reinsurance payments.** (a) Each reinsurance payment must be calculated with respect to an eligible health carrier's incurred claims costs for an individual enrollee's covered benefits in the applicable benefit year. If the claims costs do not exceed the attachment point, the reinsurance payment is \$0. If the claims costs exceed the attachment point, the reinsurance payment shall be calculated as the product of the coinsurance rate and the lesser of:

(1) the claims costs minus the attachment point; or

(2) the reinsurance cap minus the attachment point.

(b) The board must ensure that reinsurance payments made to eligible health carriers do not exceed the total amount paid by the eligible health carrier for any eligible claim. "Total amount paid of an eligible claim" means the amount paid by the eligible health carrier based upon the allowed amount less any deductible, coinsurance, or co-payment, as of the time the data are submitted or made accessible under subdivision 5, paragraph (e).

Subd. 5. **Eligible carrier requests for reinsurance payments.** (a) An eligible health carrier must request reinsurance payments when the eligible health carrier's claims costs for an enrollee meet the criteria for reinsurance payments.

(b) An eligible health carrier must apply the payment parameters when calculating amounts the health carrier is eligible to receive from the plan.

(c) An eligible health carrier must make requests for reinsurance payments in accordance with any requirements established by the board.

(d) An eligible health carrier must calculate the premium amount the health carrier would have charged for the applicable benefit year if the plan was not in effect and submit this information as part of its rate filing.

(e) In order to receive reinsurance payments, an eligible health carrier must provide the association with access to the data within the dedicated data environment established by the eligible health carrier under the federal risk adjustment program under United States Code, title 42, section 18063. Eligible health carriers must submit an attestation to the board asserting compliance with the dedicated data environments, data requirements, establishment and usage of masked enrollee identification numbers, and data submission deadlines.

(f) An eligible health carrier must provide the access described in paragraph (e) for the applicable benefit year by April 30 of each year of the year following the end of the applicable benefit year.

(g) An eligible health carrier must maintain documents and records, whether paper, electronic, or in other media, sufficient to substantiate the requests for reinsurance payments made pursuant to this section for a period of at least six years. An eligible health carrier must also make those documents and records available upon request from the commissioner for purposes of verification, investigation, audit, or other review of reinsurance payment requests.

(h) An eligible health carrier may follow the appeals procedure under section 62E.10, subdivision 2a.

Subd. 6. **Audits and reports of eligible health carriers.** (a) The association may audit an eligible health carrier to assess its compliance with the requirements of this act. The eligible health carrier must cooperate with an audit. If an audit results in a proposed finding of material weakness or significant deficiency with respect to compliance with any requirement of this act, the eligible health carrier may respond to the draft audit report within 30 days of the draft audit report's issuance.

(b) Within 30 days of the issuance of the final audit report, if the final audit results in a finding of material weakness or significant deficiency with respect to compliance with any requirement of this act, the eligible health carrier must:

(1) provide a written corrective action plan to the association for approval;

(2) upon association approval, implement the corrective action plan described; and

(3) provide the association with documentation of the corrective actions taken.

Subd. 7. **Data.** Data collected, created, or maintained by the association for the purpose of providing reinsurance payments to eligible health carriers is classified as private data on individuals, as defined under section 13.02, subdivision 12; nonpublic data, as defined under section 13.02, subdivision 9; or not public data, as defined under section 13.02, subdivision 8a.

**Sec. 7. [62E.24] ACCOUNTING, REPORTS, AND AUDITS OF THE ASSOCIATION.**

Subdivision 1. **Accounting.** The board must keep an accounting for each benefit year of all:

- (1) funds appropriated for reinsurance payments and administrative and operational expenses;
- (2) requests for reinsurance payments received from eligible health carriers;
- (3) reinsurance payments made to eligible health carriers; and
- (4) administrative and operational expenses incurred for the plan.

Subd. 2. **Reports.** (a) The board must submit to the commissioner and make available to the public a report summarizing the plan operations for each benefit year by posting the summary on the Minnesota Comprehensive Health Association Web site and making the summary otherwise available by November 1 of the year following the applicable benefit year or 60 calendar days following the final disbursement of reinsurance payments for the applicable benefit year, whichever is later.

(b) The board must submit a report to the standing committees of the legislature having jurisdiction over health and human services and insurance within 60 days of the commissioner making publicly available the final and approved premium rates, or by December 1, whichever is later. The report must include information on what the premium increases in the individual market will be for the next benefit year if the plan is not fully funded.

Subd. 3. **Independent external audit.** (a) The board must engage and cooperate with an independent qualified auditor to perform an audit for each benefit year of the plan, in accordance with generally accepted auditing standards. The audit must at a minimum:

- (1) assess compliance with the requirements of sections 62E.21 to 62E.25; and
- (2) identify any material weaknesses or significant deficiencies and address manners in which to correct any such material weaknesses or deficiencies.

(b) The board, after receiving the completed audit, must:

- (1) provide the commissioner the results of the audit;
- (2) identify to the commissioner any material weakness or significant deficiency identified in the audit and address in writing to the commissioner how the board intends to correct any such material weakness or significant deficiency in compliance with subdivision 4; and
- (3) make available to the public a summary of the results of the audit by posting the summary on the Minnesota Comprehensive Health Association Web site and making the summary otherwise available, including any material weakness or significant deficiency and how the board intends to correct the material weakness or significant deficiency.

Subd. 4. **Actions on audit findings.** If an audit results in a finding of material weakness or significant deficiency with respect to compliance by the association with any requirement under sections 62E.21 to 62E.25, the board must:

(1) provide a written corrective action plan to the commissioner for approval within 60 days of the completed audit;

(2) implement the corrective action plan; and

(3) provide the commissioner with written documentation of the corrective actions taken.

Sec. 8. **[62E.25] PREMIUM SECURITY PLAN ACCOUNT.**

The premium security plan account is created in the special revenue fund of the state treasury. Funds in the account are appropriated annually to the association for the operation of the plan. Notwithstanding section 11A.20, all investment income and all investment losses attributable to the investment of the premium security plan account not currently needed shall be credited to the premium security plan account.

Sec. 9. Minnesota Statutes 2016, section 297I.05, subdivision 5, is amended to read:

Subd. 5. **Health maintenance organizations, nonprofit health service plan corporations, and community integrated service networks.** (a) A tax is imposed on health maintenance organizations, community integrated service networks, and nonprofit health care service plan corporations. The rate of tax is equal to one percent of gross premiums less return premiums on all direct business received by the organization, network, or corporation or its agents in Minnesota, in cash or otherwise, in the calendar year.

(b) The commissioner shall deposit all revenues, including penalties and interest, collected under this chapter from health maintenance organizations, community integrated service networks, and nonprofit health service plan corporations in the ~~health care access fund~~ premium security plan account. Refunds of overpayments of tax imposed by this subdivision must be paid from the ~~health care access fund~~ premium security plan account. There is annually appropriated from the ~~health care access fund~~ premium security plan account to the commissioner the amount necessary to make any refunds of the tax imposed under this subdivision.

Sec. 10. Minnesota Statutes 2016, section 297I.05, subdivision 13, is amended to read:

Subd. 13. **Funds deposited credited into the premium security plan account and into the general fund.** Unless otherwise specified in this chapter, all amounts collected by the commissioner under this chapter must be ~~deposited in the general fund.~~ credited as follows:

(1) \$70,000,000 in fiscal year 2018 and \$70,000,000 in fiscal year 2019 and each fiscal year thereafter must be credited to the premium security plan account; and

(2) the balance shall be credited to the general fund.

Sec. 11. **STATE INNOVATION WAIVER.**

Subdivision 1. **Submission of waiver application.** The commissioner of commerce shall apply to the secretary of Health and Human Services under United States Code, title 42, section 18052, for a state innovation waiver to implement the Minnesota premium security plan for benefit years beginning on or after January 1, 2018, in a manner that maximizes federal funding for the state. The waiver application submitted must ensure that, upon implementation of the Minnesota premium security plan, eligible Minnesotans will continue to receive advanced premium tax credits and cost-sharing reductions.



Subd. 2. **Consultation.** In developing the waiver application, the commissioner shall consult with the commissioner of human services, the commissioner of health, and the MNsure board.

Subd. 3. **Application timelines; notification.** The commissioner shall submit the waiver application to the secretary of Health and Human Services on or before July 5, 2017. The commissioner shall make a draft application available for public review and comment by June 1, 2017. The commissioner shall notify the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services and insurance, and the board of directors of the Minnesota Comprehensive Health Association of any federal actions regarding the waiver request.

Subd. 4. **Board review; contingent report.** The board of directors of the Minnesota Comprehensive Health Association shall review the decision of the secretary of Health and Human Services regarding the request for a state innovation waiver. If the waiver is rejected in whole or in part the board shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services and insurance on the projected impact of the federal decision on the overall health insurance market and health plan affordability. The board shall submit this report within 60 calendar days of receipt of the federal decision.

**Sec. 12. COSTS RELATED TO IMPLEMENTATION OF THIS ACT.**

A state agency that incurs administrative costs to implement any provision of this act and does not receive an appropriation for administrative costs of this act must implement the act within the limits of existing appropriations.

**Sec. 13. PAYMENT PARAMETERS FOR 2018.**

Notwithstanding any law to the contrary, the board of directors of the Minnesota Comprehensive Health Association shall set payment parameters for benefit year 2018 within the limits of appropriated funds no later than 30 days following the enactment of this act or 30 days following the appropriation of funds for the Minnesota premium security plan, whichever is later.

**Sec. 14. DEPOSIT OF FUNDS.**

Within ten days of the effective date of this act, the Minnesota Comprehensive Health Association shall deposit all money, including monetary reserves, the association holds into the premium security plan account.

**Sec. 15. MINNESOTA PREMIUM SECURITY PLAN FUNDING; FISCAL YEAR 2018.**

The Minnesota Comprehensive Health Association shall fund the operational and administrative costs and reinsurance payments of the Minnesota premium security plan and association, for fiscal year 2018, using the following amounts deposited in the premium security plan account, in the following order:

- (1) any federal funds available, whether through grants or otherwise;
- (2) funds deposited under section 14;
- (3) up to \$50,000,000 of the transfer in section 17; and
- (4) funds deposited under sections 9 and 10.

Sec. 16. **MINNESOTA PREMIUM SECURITY PLAN FUNDING; FISCAL YEAR 2019 AND THEREAFTER.**

(a) The Minnesota Comprehensive Health Association shall fund the operational and administrative costs of the Minnesota premium security plan and association for fiscal year 2019 and every year thereafter through an assessment as provided by section 62E.11 deposited in the premium security plan account.

(b) The Minnesota Comprehensive Health Association shall fund the reinsurance payments and other plan costs of the Minnesota premium security plan and association for fiscal year 2019 and every year thereafter using the following amounts deposited in the premium security plan account, in the following order:

(1) any federal funds available, whether through grants or otherwise;

(2) the transfer in section 17;

(3) funds deposited under sections 9 and 10; and

(4) an assessment, if any, as provided by section 62E.11.

Sec. 17. **TRANSFER.**

\$80,000,000 in the 2018-2019 biennium is transferred from the health care access fund to the premium security plan account in the special revenue fund. Any unexpended funds in fiscal year 2018 do not cancel but are available in fiscal year 2019.

Sec. 18. **REPEALER.**

Laws 2013, chapter 9, section 15, is repealed.

Sec. 19. **EFFECTIVE DATE.**

Sections 1 to 18 are effective the day following final enactment."

Correct the title numbers accordingly

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

The report was adopted.

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

H. F. No. 10, A bill for an act relating to health; requiring the state to transition from MNsure to a federally facilitated marketplace; appropriating money; repealing Minnesota Statutes 2016, sections 62V.01; 62V.02; 62V.03; 62V.04; 62V.05; 62V.051; 62V.055; 62V.06; 62V.07; 62V.08; 62V.09; 62V.10; 62V.11.

Reported the same back with the following amendments:

Page 1, line 8, before "The" insert "(a)"

Page 1, after line 20, insert:

"(b) All health plans that are offered to Minnesota residents through the federally facilitated marketplace, when implemented, and that are offered by a health carrier that meets the applicability criteria in Minnesota Statutes, section 62K.10, subdivision 1, must satisfy requirements for:

(1) geographic accessibility to providers that at least satisfy the maximum distance or travel times specified in Minnesota Statutes, section 62K.10, subdivisions 2 and 3; and

(2) provider network adequacy that guarantees at least the level of network adequacy required by Minnesota Statutes, section 62K.10, subdivision 4.

For purposes of this paragraph, "health plan" has the meaning given in Minnesota Statutes, section 62A.011, subdivision 3, and "health carrier" has the meaning given in Minnesota Statutes, section 62A.011, subdivision 2."

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

The report was adopted.

Erickson from the Committee on Education Innovation Policy to which was referred:

H. F. No. 485, A bill for an act relating to education finance; establishing an agricultural educator grant program; appropriating money.

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

The report was adopted.

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

H. F. No. 490, A bill for an act relating to human services; modifying the operating payment rate for certain nonprofit nursing facilities in border cities; amending Minnesota Statutes 2016, section 256R.53, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2016, section 256R.53, subdivision 2, is amended to read:

Subd. 2. **Nursing facility facilities in Breckenridge border cities.** The operating payment rate of a nonprofit nursing facility that exists on January 1, 2015, is located within the boundaries of the ~~city~~ cities of Breckenridge ~~or Moorhead~~, and is reimbursed under this chapter, is equal to the greater of:

(1) the operating payment rate determined under section 256R.21, subdivision 3; or

(2) the median case mix adjusted rates, including comparable rate components as determined by the median case mix adjusted rates, including comparable rate components as determined by the commissioner, for the equivalent case mix indices of the nonprofit nursing facility or facilities located in an adjacent city in another state and in cities contiguous to the adjacent city. The commissioner shall make the comparison required in this subdivision on November 1 of each year and shall apply it to the rates to be effective on the following January 1. The Minnesota facility's operating payment rate with a case mix index of 1.0 is computed by dividing the adjacent city's nursing facility or facilities' median operating payment rate with an index of 1.02 by 1.02. If the adjustments under this subdivision result in a rate that exceeds the limits in section 256R.23, subdivision 5, and whose costs exceed the rate in section 256R.24, subdivision 3, in a given rate year, the facility's rate shall not be subject to the limits in section 256R.23, subdivision 5, and shall not be limited to the rate established in section 256R.24, subdivision 3, for that rate year.

**EFFECTIVE DATE.** The rate increases for a facility located in Moorhead are effective for the rate year beginning January 1, 2020, and annually thereafter."

Delete the title and insert:

"A bill for an act relating to human services; modifying the operating payment rate for certain nonprofit nursing facilities in border cities; amending Minnesota Statutes 2016, section 256R.53, subdivision 2."

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

The report was adopted.

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

H. F. No. 500, A bill for an act relating to human services; making policy and technical changes to the nursing facility payment system; requiring a report; amending Minnesota Statutes 2016, sections 144.0724, subdivision 6; 256B.431, subdivision 30, by adding a subdivision; 256B.434, subdivision 4; 256R.02, subdivisions 4, 17, 18, 19, 22, 42, 52, by adding subdivisions; 256R.07, subdivision 1, by adding a subdivision; 256R.10, by adding a subdivision; 256R.13, subdivision 4; 256R.37; 256R.40, subdivisions 1, 5; 256R.41; 256R.47; 256R.49; proposing coding for new law in Minnesota Statutes, chapter 256R; repealing Minnesota Statutes 2016, sections 256R.06, subdivision 7; 256R.54, subdivisions 5, 6, 7, 8, 9.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2016, section 144.0724, subdivision 6, is amended to read:

Subd. 6. **Penalties for late or nonsubmission.** (a) A facility that fails to complete or submit an assessment according to subdivisions 4 and 5 for a RUG-IV classification within seven days of the time requirements listed in the Long-Term Care Facility Resident Assessment Instrument User's Manual is subject to a reduced rate for that resident. The reduced rate shall be the lowest rate for that facility. The reduced rate is effective on the day of admission for new admission assessments, on the ARD for significant change in status assessments, or on the day that the assessment was due for all other assessments and continues in effect until the first day of the month following the date of submission and acceptance of the resident's assessment.

(b) If loss of revenue due to penalties incurred by a facility for any period of 92 days are equal to or greater than ~~1.0~~ 0.1 percent of the total operating costs on the facility's most recent annual statistical and cost report, a facility may apply to the commissioner of human services for a reduction in the total penalty amount. The commissioner of human services, in consultation with the commissioner of health, may, at the sole discretion of the commissioner of human services, limit the penalty for residents covered by medical assistance to ~~15~~ ten days.

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

Sec. 2. Minnesota Statutes 2016, section 256B.431, subdivision 30, is amended to read:

Subd. 30. **Bed layaway and delicensure.** (a) For rate years beginning on or after July 1, 2000, a nursing facility reimbursed under this section which has placed beds on layaway shall, for purposes of application of the downsizing incentive in subdivision 3a, paragraph (c), and calculation of the rental per diem, have those beds given the same effect as if the beds had been delicensed so long as the beds remain on layaway. At the time of a layaway, a facility may change its single bed election for use in calculating capacity days under Minnesota Rules, part 9549.0060, subpart 11. The property payment rate increase shall be effective the first day of the month of January or July, whichever occurs first following the ~~month date~~ in which the layaway of the beds becomes effective under section 144A.071, subdivision 4b.

(b) For rate years beginning on or after July 1, 2000, notwithstanding any provision to the contrary under section 256B.434, a nursing facility reimbursed under that section which has placed beds on layaway shall, for so long as the beds remain on layaway, be allowed to:

(1) aggregate the applicable investment per bed limits based on the number of beds licensed immediately prior to entering the alternative payment system;

(2) retain or change the facility's single bed election for use in calculating capacity days under Minnesota Rules, part 9549.0060, subpart 11; and

(3) establish capacity days based on the number of beds immediately prior to the layaway and the number of beds after the layaway.

The commissioner shall increase the facility's property payment rate by the incremental increase in the rental per diem resulting from the recalculation of the facility's rental per diem applying only the changes resulting from the layaway of beds and clauses (1), (2), and (3). If a facility reimbursed under section 256B.434 completes a moratorium exception project after its base year, the base year property rate shall be the moratorium project property rate. The base year rate shall be inflated by the factors in section 256B.434, subdivision 4, paragraph (c). The property payment rate increase shall be effective the first day of the month of January or July, whichever occurs first following the ~~month date~~ in which the layaway of the beds becomes effective.

(c) If a nursing facility removes a bed from layaway status in accordance with section 144A.071, subdivision 4b, the commissioner shall establish capacity days based on the number of licensed and certified beds in the facility not on layaway and shall reduce the nursing facility's property payment rate in accordance with paragraph (b).

(d) For the rate years beginning on or after July 1, 2000, notwithstanding any provision to the contrary under section 256B.434, a nursing facility reimbursed under that section, which has delicensed beds after July 1, 2000, by giving notice of the delicensure to the commissioner of health according to the notice requirements in section 144A.071, subdivision 4b, shall be allowed to:

(1) aggregate the applicable investment per bed limits based on the number of beds licensed immediately prior to entering the alternative payment system;

(2) retain or change the facility's single bed election for use in calculating capacity days under Minnesota Rules, part 9549.0060, subpart 11; and

(3) establish capacity days based on the number of beds immediately prior to the delicensure and the number of beds after the delicensure.

The commissioner shall increase the facility's property payment rate by the incremental increase in the rental per diem resulting from the recalculation of the facility's rental per diem applying only the changes resulting from the delicensure of beds and clauses (1), (2), and (3). If a facility reimbursed under section 256B.434 completes a moratorium exception project after its base year, the base year property rate shall be the moratorium project property rate. The base year rate shall be inflated by the factors in section 256B.434, subdivision 4, paragraph (c). The property payment rate increase shall be effective the first day of the month of January or July, whichever occurs first following the ~~month date~~ in which the delicensure of the beds becomes effective.

(e) For nursing facilities reimbursed under this section or section 256B.434, any beds placed on layaway shall not be included in calculating facility occupancy as it pertains to leave days defined in Minnesota Rules, part 9505.0415.

(f) For nursing facilities reimbursed under this section or section 256B.434, the rental rate calculated after placing beds on layaway may not be less than the rental rate prior to placing beds on layaway.

(g) A nursing facility receiving a rate adjustment as a result of this section shall comply with section ~~256B.47~~ 256R.06, subdivision ~~2~~ 5.

(h) A facility that does not utilize the space made available as a result of bed layaway or delicensure under this subdivision to reduce the number of beds per room or provide more common space for nursing facility uses or perform other activities related to the operation of the nursing facility shall have its property rate increase calculated under this subdivision reduced by the ratio of the square footage made available that is not used for these purposes to the total square footage made available as a result of bed layaway or delicensure.

Sec. 3. Minnesota Statutes 2016, section 256B.431, is amended by adding a subdivision to read:

Subd. 46. **Single-bed election.** A nursing facility may change its single-bed election for use in calculating capacity days under Minnesota Rules, part 9549.0060, subpart 11, for rates established on January 1 if the commissioner receives written notification from the nursing facility by August 15 of the preceding year.

Sec. 4. Minnesota Statutes 2016, section 256B.434, subdivision 4, is amended to read:

**Subd. 4. Alternate rates for nursing facilities.** A nursing facility's case mix payment rates for the second and subsequent years of a facility's contract under this section are the previous rate year's contract payment rates plus an inflation adjustment and, for facilities reimbursed under this section or section 256B.431, an adjustment to include the cost of any increase in Health Department licensing fees for the facility taking effect on or after July 1, 2001. The index for the inflation adjustment must be based on the change in the Consumer Price Index-All Items (United States City average) (CPI-U) forecasted by the commissioner of management and budget's national economic consultant, as forecasted in the fourth quarter of the calendar year preceding the rate year. The inflation adjustment must be based on the 12-month period from the midpoint of the previous rate year to the midpoint of the rate year for which the rate is being determined. For the rate years beginning on ~~July 1, 1999, July 1, 2000, July 1, 2001, July 1, 2002, July 1, 2003, July 1, 2004, July 1, 2005, July 1, 2006, July 1, 2007, July 1, 2008, October 1, 2009, and October 1, 2010~~ and after January 1, 2018, this paragraph shall apply only to the property-related payment rate. ~~For the rate years beginning on October 1, 2011, October 1, 2012, October 1, 2013, October 1, 2014, October 1, 2015, January 1, 2016, and January 1, 2017, the rate adjustment under this paragraph shall be suspended. Beginning in~~

2005, adjustment to the property payment rate under this section and section 256B.431 shall be effective on October 1. ~~In determining the amount of the property-related payment rate adjustment under this paragraph, the commissioner shall determine the proportion of the facility's rates that are property-related based on the facility's most recent cost report.~~

Sec. 5. Minnesota Statutes 2016, section 256R.02, subdivision 4, is amended to read:

Subd. 4. **Administrative costs.** "Administrative costs" means the identifiable costs for administering the overall activities of the nursing home. These costs include salaries and wages of the administrator, assistant administrator, business office employees, security guards, and associated fringe benefits and payroll taxes, fees, contracts, or purchases related to business office functions, licenses, and permits except as provided in the external fixed costs category, employee recognition, travel including meals and lodging, all training except as specified in subdivision 17, voice and data communication or transmission, office supplies, property and liability insurance and other forms of insurance not ~~designated to other areas~~ including insurance that is an employee benefit, personnel recruitment, legal services, accounting services, management or business consultants, data processing, information technology, Web site, central or home office costs, business meetings and seminars, postage, fees for professional organizations, subscriptions, security services, advertising, board of directors fees, working capital interest expense, and bad debts and bad debt collection fees.

Sec. 6. Minnesota Statutes 2016, section 256R.02, subdivision 17, is amended to read:

Subd. 17. **Direct care costs.** "Direct care costs" means costs for the wages of nursing administration, direct care registered nurses, licensed practical nurses, certified nursing assistants, trained medication aides, employees conducting training in resident care topics and associated fringe benefits and payroll taxes; services from a supplemental nursing services agency; supplies that are stocked at nursing stations or on the floor and distributed or used individually, including, but not limited to: alcohol, applicators, cotton balls, incontinence pads, disposable ice bags, dressings, bandages, water pitchers, tongue depressors, disposable gloves, enemas, enema equipment, soap, medication cups, diapers, plastic waste bags, sanitary products, thermometers, hypodermic needles and syringes, clinical reagents or similar diagnostic agents, drugs that are not paid on a separate fee schedule by the medical assistance program or any other payer, and technology related to the provision of nursing care to residents, such as electronic charting systems; costs of materials used for resident care training, and training courses outside of the facility attended by direct care staff on resident care topics; and costs for nurse consultants, pharmacy consultants, and medical directors. Salaries and payroll taxes for nurse consultants who work out of a central office must be allocated proportionately by total resident days or by direct identification to the nursing facilities served by those consultants.

Sec. 7. Minnesota Statutes 2016, section 256R.02, subdivision 18, is amended to read:

Subd. 18. **Employer health insurance costs.** "Employer health insurance costs" means premium expenses for group coverage ~~and reinsurance~~, actual expenses incurred for self-insured plans including reinsurance and administrative costs, and employer contributions to employee health reimbursement and health savings accounts. Premium and expense costs and contributions are allowable for (1) all employees and (2) the spouse and dependents of those employees who meet the definition of full-time employees under the federal Affordable Care Act, Public Law 111-148 are employed on average at least 30 hours of service per week, or 130 hours of service per month.

Sec. 8. Minnesota Statutes 2016, section 256R.02, subdivision 19, is amended to read:

Subd. 19. **External fixed costs.** "External fixed costs" means costs related to the nursing home surcharge under section 256.9657, subdivision 1; licensure fees under section 144.122; family advisory council fee under section 144A.33; scholarships under section 256R.37; planned closure rate adjustments under section 256R.40; consolidation rate adjustments under section 144A.071, subdivisions 4c, paragraph (a), clauses (5) and (6), and 4d; single-bed room incentives under section 256R.41; property taxes, assessments, and payments in lieu of taxes;

employer health insurance costs; quality improvement incentive payment rate adjustments under section 256R.39; performance-based incentive payments under section 256R.38; special dietary needs under section 256R.51; rate adjustments for compensation-related costs for minimum wage changes under section 256R.49 provided on or after January 1, 2018; and Public Employees Retirement Association employer costs.

Sec. 9. Minnesota Statutes 2016, section 256R.02, subdivision 22, is amended to read:

Subd. 22. **Fringe benefit costs.** "Fringe benefit costs" means the costs for group life, dental, workers' compensation, ~~and other employee insurances and short- and long-term disability, long-term care insurance, accident insurance, supplemental insurance, legal assistance insurance, profit sharing, health insurance costs not covered under subdivision 18, including costs associated with part-time employee family members or retirees, and pension and retirement plan contributions,~~ except for the Public Employees Retirement Association ~~and employer health insurance costs; profit sharing; and retirement plans for which the employer pays all or a portion of the costs.~~

Sec. 10. Minnesota Statutes 2016, section 256R.02, subdivision 42, is amended to read:

Subd. 42. **Raw food costs.** "Raw food costs" means the cost of food provided to nursing facility residents and the allocation of dietary credits. Also included are special dietary supplements used for tube feeding or oral feeding, such as elemental high nitrogen diet.

Sec. 11. Minnesota Statutes 2016, section 256R.02, is amended by adding a subdivision to read:

Subd. 42a. **Real estate taxes.** "Real estate taxes" means the real estate tax liability shown on the annual property tax statement of the nursing facility for the reporting period. The term does not include personnel costs or fees for late payment.

Sec. 12. Minnesota Statutes 2016, section 256R.02, is amended by adding a subdivision to read:

Subd. 48a. **Special assessments.** "Special assessments" means the actual special assessments and related interest paid during the reporting period. The term does not include personnel costs or fees for late payment.

Sec. 13. Minnesota Statutes 2016, section 256R.02, subdivision 52, is amended to read:

Subd. 52. **Therapy costs.** "Therapy costs" means any costs related to ~~medical assistance~~ therapy services provided to residents that are not ~~billed~~ separately billable from the daily operating rate.

Sec. 14. Minnesota Statutes 2016, section 256R.07, subdivision 1, is amended to read:

Subdivision 1. **Criteria.** A nursing facility shall keep adequate documentation. In order to be adequate, documentation must:

- (1) be maintained in orderly, well-organized files;
- (2) not include documentation of more than one nursing facility in one set of files unless transactions may be traced by the commissioner to the nursing facility's annual cost report;
- (3) include a paid invoice or copy of a paid invoice with date of purchase, vendor name and address, purchaser name and delivery destination address, listing of items or services purchased, cost of items purchased, account number to which the cost is posted, and a breakdown of any allocation of costs between accounts or nursing facilities. If any of the information is not available, the nursing facility shall document its good faith attempt to obtain the information;



(4) include contracts, agreements, amortization schedules, mortgages, other debt instruments, and all other documents necessary to explain the nursing facility's costs or revenues; and

(5) be retained by the nursing facility to support the five most recent annual cost reports. The commissioner may extend the period of retention if the field audit was postponed because of inadequate record keeping or accounting practices as in section 256R.13, subdivisions 2 and 4, the records are necessary to resolve a pending appeal, or the records are required for the enforcement of sections 256R.04; 256R.05, subdivision 2; 256R.06, subdivisions 2; and 6; ~~and 7~~; 256R.08, subdivisions 1 to 3; and 256R.09, subdivisions 3 and 4.

Sec. 15. Minnesota Statutes 2016, section 256R.07, is amended by adding a subdivision to read:

Subd. 6. **Electronic signature.** For documentation requiring a signature under this chapter or section 256B.431 or 256B.434, use of an electronic signature as defined under section 325L.02, paragraph (h), is allowed.

Sec. 16. Minnesota Statutes 2016, section 256R.10, is amended by adding a subdivision to read:

Subd. 7. **Bad debts.** Bad debts of Medicaid and private pay recipients are allowable only when:

(1) the debt is related to covered services;

(2) the debt arises from the recipient's required contribution toward the cost of care, not including Medicare coinsurance for Medicaid recipients as defined in section 256B.0625, subdivision 57a;

(3) the provider can establish reasonable collection efforts were made. Reasonable collection efforts consist of at least three documented attempts by the contractor to obtain payment demonstrating that the effort devoted to collecting the bad debts of a Medicaid recipient is the same as the effort devoted to collecting the bad debts of a private pay recipient;

(4) the debt was actually uncollectible when claimed as worthless; and

(5) sound business judgment established there was no likelihood of recovery at any time in the future.

Sec. 17. Minnesota Statutes 2016, section 256R.13, subdivision 4, is amended to read:

Subd. 4. **Extended record retention requirements.** The commissioner shall extend the period for retention of records under section 256R.09, subdivision 3, for purposes of performing field audits as necessary to enforce sections 256R.04; 256R.05, subdivision 2; 256R.06, subdivisions 2; and 6; ~~and 7~~; 256R.08, subdivisions 1 to 3; and 256R.09, subdivisions 3 and 4, with written notice to the facility postmarked no later than 90 days prior to the expiration of the record retention requirement.

Sec. 18. **[256R.18] BIENNIAL REPORT.**

The commissioner shall provide to the legislative committees with jurisdiction over nursing facility payment rates a biennial report including:

(1) the impact of using cost report data to set rates without updating the cost report data by the change in the Consumer Price Index for all urban consumers from the mid-point of the cost report to the mid-point of the rate year;

(2) the impact of the quality adjusted care limits;

(3) the ability of nursing facilities to retain employees, including whether rate increases are passed through to employees;

(4) the efficacy of the critical access nursing facility program under section 256R.47; and

(5) the impact of payment rate limit reduction under section 256R.23, subdivision 6.

**EFFECTIVE DATE.** This section is effective January 1, 2019.

Sec. 19. Minnesota Statutes 2016, section 256R.37, is amended to read:

**256R.37 SCHOLARSHIPS.**

(a) For the 27-month period beginning October 1, 2015, through December 31, 2017, the commissioner shall allow a scholarship per diem of up to 25 cents for each nursing facility with no scholarship per diem that is requesting a scholarship per diem to be added to the external fixed payment rate to be used:

(1) for employee scholarships that satisfy the following requirements:

(i) scholarships are available to all employees who work an average of at least ten hours per week at the facility except the administrator, and to reimburse student loan expenses for ~~newly hired and recently graduated~~ registered nurses and licensed practical nurses, and training expenses for nursing assistants as specified in section 144A.611, subdivisions 2 and 4, ~~who are newly hired and have graduated within the last 12 months;~~ and

(ii) the course of study is expected to lead to career advancement with the facility or in long-term care, including medical care interpreter services and social work; and

(2) to provide job-related training in English as a second language.

(b) All facilities may annually request a rate adjustment under this section by submitting information to the commissioner on a schedule and in a form supplied by the commissioner. The commissioner shall allow a scholarship payment rate equal to the reported and allowable costs divided by resident days.

(c) In calculating the per diem under paragraph (b), the commissioner shall allow costs related to tuition, direct educational expenses, and reasonable costs as defined by the commissioner for child care costs and transportation expenses related to direct educational expenses.

(d) The rate increase under this section is an optional rate add-on that the facility must request from the commissioner in a manner prescribed by the commissioner. The rate increase must be used for scholarships as specified in this section.

(e) For instances in which a rate adjustment will be 15 cents or greater, nursing facilities that close beds during a rate year may request to have their scholarship adjustment under paragraph (b) recalculated by the commissioner for the remainder of the rate year to reflect the reduction in resident days compared to the cost report year.

Sec. 20. Minnesota Statutes 2016, section 256R.40, subdivision 1, is amended to read:

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

(b) "Closure" means the cessation of operations of a nursing facility and delicensure and decertification of all beds within the facility.

(c) "Closure plan" means a plan to close a nursing facility and reallocate a portion of the resulting savings to provide planned closure rate adjustments at other facilities.

(d) "Commencement of closure" means the date on which residents and designated representatives are notified of a planned closure as provided in section 144A.161, subdivision 5a, as part of an approved closure plan.

(e) "Completion of closure" means the date on which the final resident of the nursing facility designated for closure in an approved closure plan is discharged from the facility or the date that beds from a partial closure are delicensed and decertified.

(f) "Partial closure" means the delicensure and decertification of a portion of the beds within the facility.

(g) "Planned closure rate adjustment" means an increase in a nursing facility's operating rates resulting from a planned closure or a planned partial closure of another facility.

Sec. 21. Minnesota Statutes 2016, section 256R.40, subdivision 5, is amended to read:

Subd. 5. **Planned closure rate adjustment.** (a) The commissioner shall calculate the amount of the planned closure rate adjustment available under subdivision 6 according to clauses (1) to (4):

(1) the amount available is the net reduction of nursing facility beds multiplied by \$2,080;

(2) the total number of beds in the nursing facility or facilities receiving the planned closure rate adjustment must be identified;

(3) capacity days are determined by multiplying the number determined under clause (2) by 365; and

(4) the planned closure rate adjustment is the amount available in clause (1), divided by capacity days determined under clause (3).

(b) A planned closure rate adjustment under this section is effective on the first day of the month of January or July, whichever occurs first following completion of closure of the facility designated for closure in the application and becomes part of the nursing facility's external fixed payment rate.

(c) Upon the request of a closing facility, the commissioner must allow the facility a closure rate adjustment as provided under section 144A.161, subdivision 10.

(d) A facility that has received a planned closure rate adjustment may reassign it to another facility that is under the same ownership at any time within three years of its effective date. The amount of the adjustment is computed according to paragraph (a).

(e) If the per bed dollar amount specified in paragraph (a), clause (1), is increased, the commissioner shall recalculate planned closure rate adjustments for facilities that delicense beds under this section on or after July 1, 2001, to reflect the increase in the per bed dollar amount. The recalculated planned closure rate adjustment is effective from the date the per bed dollar amount is increased.

(f) For a nursing facility that is ceasing operations through delicensure and decertification of all beds within the facility, the planned closure rate adjustment under this section is effective on the first day of the month following completion of closure of the facility designated for closure in the application and becomes part of any assigned nursing facility's external fixed payment rate.

Sec. 22. Minnesota Statutes 2016, section 256R.41, is amended to read:

**256R.41 SINGLE-BED ROOM INCENTIVE.**

(a) Beginning July 1, 2005, the operating payment rate for nursing facilities reimbursed under this chapter shall be increased by 20 percent multiplied by the ratio of the number of new single-bed rooms created divided by the number of active beds on July 1, 2005, for each bed closure that results in the creation of a single-bed room after July 1, 2005. The commissioner may implement rate adjustments for up to 3,000 new single-bed rooms each year. For eligible bed closures for which the commissioner receives a notice from a facility ~~during a calendar quarter~~ that a bed has been delicensed and a new single-bed room has been established, the rate adjustment in this paragraph shall be effective on either the first day of the second month of January or July, whichever occurs first following that calendar quarter the date of the bed delicensure.

(b) A nursing facility is prohibited from discharging residents for purposes of establishing single-bed rooms. A nursing facility must submit documentation to the commissioner in a form prescribed by the commissioner, certifying the occupancy status of beds closed to create single-bed rooms. In the event that the commissioner determines that a facility has discharged a resident for purposes of establishing a single-bed room, the commissioner shall not provide a rate adjustment under paragraph (a).

Sec. 23. Minnesota Statutes 2016, section 256R.47, is amended to read:

**256R.47 RATE ADJUSTMENT FOR CRITICAL ACCESS NURSING FACILITIES.**

(a) The commissioner, in consultation with the commissioner of health, may designate certain nursing facilities as critical access nursing facilities. The designation shall be granted on a competitive basis, within the limits of funds appropriated for this purpose.

(b) The commissioner shall request proposals from nursing facilities every two years. Proposals must be submitted in the form and according to the timelines established by the commissioner. In selecting applicants to designate, the commissioner, in consultation with the commissioner of health, and with input from stakeholders, shall develop criteria designed to preserve access to nursing facility services in isolated areas, rebalance long-term care, and improve quality. To the extent practicable, the commissioner shall ensure an even distribution of designations across the state.

(c) The commissioner shall allow the benefits in clauses (1) to (5) for nursing facilities designated as critical access nursing facilities:

(1) partial rebasing, with the commissioner allowing a designated facility operating payment rates being the sum of up to 60 percent of the operating payment rate determined in accordance with section 256R.21, subdivision 3, and at least 40 percent, with the sum of the two portions being equal to 100 percent, of the operating payment rate that would have been allowed had the facility not been designated. The commissioner may adjust these percentages by up to 20 percent and may approve a request for less than the amount allowed;

(2) enhanced payments for leave days. Notwithstanding section 256R.43, upon designation as a critical access nursing facility, the commissioner shall limit payment for leave days to 60 percent of that nursing facility's total payment rate for the involved resident, and shall allow this payment only when the occupancy of the nursing facility, inclusive of bed hold days, is equal to or greater than 90 percent;

(3) two designated critical access nursing facilities, with up to 100 beds in active service, may jointly apply to the commissioner of health for a waiver of Minnesota Rules, part 4658.0500, subpart 2, in order to jointly employ a director of nursing. The commissioner of health shall consider each waiver request independently based on the criteria under Minnesota Rules, part 4658.0040;

(4) the minimum threshold under section 256B.431, subdivision 15, paragraph (e), shall be 40 percent of the amount that would otherwise apply; and

(5) the quality-based rate limits under section 256R.23, subdivisions 5 to 7, apply to designated critical access nursing facilities.

(d) Designation of a critical access nursing facility is for a period of two years, after which the benefits allowed under paragraph (c) shall be removed. Designated facilities may apply for continued designation.

(e) This section is suspended and no state or federal funding shall be appropriated or allocated for the purposes of this section from January 1, 2016, to December 31, ~~2017~~ 2019.

Sec. 24. Minnesota Statutes 2016, section 256R.49, is amended to read:

**256R.49 RATE ADJUSTMENTS FOR COMPENSATION-RELATED COSTS FOR MINIMUM WAGE CHANGES.**

Subdivision 1. **Rate adjustments for compensation-related costs.** (a) Operating payment rates of all nursing facilities that are reimbursed under this chapter shall be increased effective for rate years beginning on and after October 1, 2014, to address changes in compensation costs for nursing facility employees ~~paid less than \$14 per hour~~ in accordance with this section. Rate increases provided under this section before October 1, 2016, expire effective January 1, 2018. Rate increases provided on or after October 1, 2016, expire two years after the effective date of the rate increases.

(b) Nursing facilities that receive approval of the applications in subdivision 2 must receive rate adjustments according to subdivision 4. ~~The rate adjustments must be used to pay compensation costs for nursing facility employees paid less than \$14 per hour.~~

Subd. 2. **Application process.** To receive a rate adjustment, nursing facilities must submit applications to the commissioner in a form and manner determined by the commissioner. The applications for the rate adjustments shall include specified data, and spending plans that describe how the funds from the rate adjustments will be allocated for compensation to employees ~~paid less than \$14 per hour~~. The applications must be submitted within three months of the effective date of any operating payment rate adjustment under this section. The commissioner may request any additional information needed to determine the rate adjustment within three weeks of receiving a complete application. The nursing facility must provide any additional information requested by the commissioner within six months of the effective date of any operating payment rate adjustment under this section. The commissioner may waive the deadlines in this section under extraordinary circumstances.

Subd. 3. **Additional application requirements for facilities with employees represented by an exclusive bargaining representative.** For nursing facilities in which employees are represented by an exclusive bargaining representative, the commissioner shall approve the applications submitted under subdivision 2 only upon receipt of a letter or letters of acceptance of the spending plans in regard to members of the bargaining unit, signed by the exclusive bargaining agent and dated after May 31, 2014. Upon receipt of the letter or letters of acceptance, the commissioner shall deem all requirements of this section as having been met in regard to the members of the bargaining unit.

Subd. 4. **Determination of the rate adjustments for compensation-related costs.** Based on the application in subdivision 2, the commissioner shall calculate the allowable annualized compensation costs by adding the totals of clauses (1); ~~and (2); and (3).~~ The result must be divided by the standardized or resident days from the most recently available cost report to determine per day amounts, which must be included in the operating portion of the total payment rate and allocated to direct care or other operating as determined by the commissioner:

(1) the sum of the difference between \$9.50 and any hourly wage rate less than \$9.50 for October 1, 2016; and between the indexed value of the minimum wage, as defined in section 177.24, subdivision 1, paragraph (f), or any other minimum wage implemented in statute or by any local ordinance, and any hourly wage less than that indexed value for rate years beginning on and after ~~October 1, 2017~~ January 1, 2018; multiplied by the number of compensated hours at that wage rate; and

~~(2) using wages and hours in effect during the first three months of calendar year 2014, beginning with the first pay period beginning on or after January 1, 2014; 22.2 percent of the sum of items (i) to (viii) for October 1, 2016;~~

~~(i) for all compensated hours from \$8 to \$8.49 per hour, the number of compensated hours is multiplied by \$0.13;~~

~~(ii) for all compensated hours from \$8.50 to \$8.99 per hour, the number of compensated hours is multiplied by \$0.25;~~

~~(iii) for all compensated hours from \$9 to \$9.49 per hour, the number of compensated hours is multiplied by \$0.38;~~

~~(iv) for all compensated hours from \$9.50 to \$10.49 per hour, the number of compensated hours is multiplied by \$0.50;~~

~~(v) for all compensated hours from \$10.50 to \$10.99 per hour, the number of compensated hours is multiplied by \$0.40;~~

~~(vi) for all compensated hours from \$11 to \$11.49 per hour, the number of compensated hours is multiplied by \$0.30;~~

~~(vii) for all compensated hours from \$11.50 to \$11.99 per hour, the number of compensated hours is multiplied by \$0.20; and~~

~~(viii) for all compensated hours from \$12 to \$13 per hour, the number of compensated hours is multiplied by \$0.10; and~~

~~(3)~~ (2) the sum of the employer's share of FICA taxes, Medicare taxes, state and federal unemployment taxes, workers' compensation, pensions, and contributions to employee retirement accounts attributable to the amounts in clause (1) and (2)."

Delete the title and insert:

"A bill for an act relating to human services; making policy and technical changes to the nursing facility payment system; requiring a report; amending Minnesota Statutes 2016, sections 144.0724, subdivision 6; 256B.431, subdivision 30, by adding a subdivision; 256B.434, subdivision 4; 256R.02, subdivisions 4, 17, 18, 19, 22, 42, 52, by adding subdivisions; 256R.07, subdivision 1, by adding a subdivision; 256R.10, by adding a subdivision; 256R.13, subdivision 4; 256R.37; 256R.40, subdivisions 1, 5; 256R.41; 256R.47; 256R.49; proposing coding for new law in Minnesota Statutes, chapter 256R."

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

The report was adopted.

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

H. F. No. 582, A bill for an act relating to health; modifying the types of health professionals who may be employed by supplemental nursing services agencies overseen by the commissioner of health; amending Minnesota Statutes 2016, section 144A.70, subdivision 6, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2016, section 144A.70, is amended by adding a subdivision to read:

Subd. 4a. **Nurse.** "Nurse" means a licensed practical nurse as defined in section 148.171, subdivision 8, or a registered nurse as defined in section 148.171, subdivision 20.

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

Sec. 2. Minnesota Statutes 2016, section 144A.70, subdivision 6, is amended to read:

Subd. 6. **Supplemental nursing services agency.** "Supplemental nursing services agency" means a person, firm, corporation, partnership, or association engaged for hire in the business of providing or procuring temporary employment in health care facilities for nurses, nursing assistants, nurse aides, and orderlies, ~~and other licensed health professionals.~~ Supplemental nursing services agency does not include an individual who only engages in providing the individual's services on a temporary basis to health care facilities. Supplemental nursing services agency does not include a professional home care agency licensed under section 144A.471 that only provides staff to other home care providers.

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

Sec. 3. Minnesota Statutes 2016, section 144A.74, is amended to read:

#### **144A.74 MAXIMUM CHARGES.**

A supplemental nursing services agency must not bill or receive payments from a nursing home licensed under this chapter at a rate higher than 150 percent of the sum of the weighted average wage rate, plus a factor determined by the commissioner to incorporate payroll taxes as defined in ~~Minnesota Rules, part 9549.0020, subpart 33~~ section 256R.02, subdivision 37, for the applicable employee classification for the geographic group ~~to which the nursing home is assigned under Minnesota Rules, part 9549.0052~~ specified in section 256R.23, subdivision 4. The weighted average wage rates must be determined by the commissioner of human services and reported to the commissioner of health on an annual basis. Wages are defined as hourly rate of pay and shift differential, including weekend shift differential and overtime. Facilities shall provide information necessary to determine weighted average wage rates to the commissioner of human services in a format requested by the commissioner. The maximum rate must include all charges for administrative fees, contract fees, or other special charges in addition to the hourly rates for the temporary nursing pool personnel supplied to a nursing home. A nursing home that pays for the actual travel and housing costs for supplemental nursing services agency staff working at the facility and that pays these costs to the employee, the agency, or another vendor, is not violating the limitation on charges described in this section.

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

Sec. 4. Minnesota Statutes 2016, section 256R.02, subdivision 4, is amended to read:

Subd. 4. **Administrative costs.** "Administrative costs" means the identifiable costs for administering the overall activities of the nursing home. These costs include salaries and wages of the administrator, assistant administrator, business office employees, security guards, and associated fringe benefits and payroll taxes, fees, contracts, or purchases related to business office functions, licenses, and permits except as provided in the external fixed costs category, employee recognition, travel including meals and lodging, all training except as specified in subdivision 17, voice and data communication or transmission, office supplies, property and liability insurance and other forms of insurance not designated to other areas, personnel recruitment, legal services, accounting services, management or business consultants, data processing, information technology, Web site, central or home office costs, business meetings and seminars, postage, fees for professional organizations, subscriptions, security services, advertising, board of directors fees, working capital interest expense, ~~and~~ bad debts and bad debt collection fees, and costs incurred for travel and housing for persons employed by a supplemental nursing services agency as defined in section 144A.70, subdivision 6.

**EFFECTIVE DATE.** This section is effective October 1, 2017."

Delete the title and insert:

"A bill for an act relating to health; modifying the types of health professionals who may be employed by supplemental nursing services agencies overseen by the commissioner of health; modifying certain provisions governing nursing home and nursing facility costs; amending Minnesota Statutes 2016, sections 144A.70, subdivision 6, by adding a subdivision; 144A.74; 256R.02, subdivision 4."

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

The report was adopted.

Loon from the Committee on Education Finance to which was referred:

H. F. No. 631, A bill for an act relating to workforce development; establishing a youth skills training program; requiring reports; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 175.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[175.46] YOUTH SKILLS TRAINING PROGRAM.**

Subdivision 1. **Program established; grants authorized.** The commissioner shall approve youth skills training programs established for the purpose of providing work-based skills training for student learners ages 16 and older. The commissioner shall award grants to local partnerships for the implementation and coordination of local youth skills training programs as provided in this section.

Subd. 2. **Definitions.** (a) For purposes of this section, the terms in this subdivision have the meanings given.

(b) "School district" means a school district or charter school.



(c) "Local partnership" means a school district, nonpublic school, intermediate school district, or postsecondary institution, in partnership with other school districts, nonpublic schools, intermediate school districts, postsecondary institutions, workforce development authorities, economic development authorities, nonprofit organizations, or individuals who have an agreement with one or more local employers to be responsible for implementing and coordinating a local youth skills training program.

(d) "Student learner" means a student who is both enrolled in a course of study at a public or nonpublic school to obtain related instruction for academic credit and is employed under a written agreement to obtain on-the-job skills training under a youth skills training program approved under this section.

Subd. 3. **Duties.** (a) The commissioner shall:

(1) approve youth skills training programs that provide:

(i) that the work of the student learner in the occupations declared particularly hazardous shall be incidental to the training;

(ii) that the work shall be intermittent and for short periods of time, and under the direct and close supervision of a qualified and experienced person;

(iii) that safety instruction shall be provided to the student learner and may be given by the school and correlated by the employer with on-the-job training;

(iv) a schedule of organized and progressive work processes to be performed on the job;

(v) a schedule of wage rates in compliance with section 177.24; and

(vi) whether the student learner will obtain secondary school academic credit, postsecondary credit, or both, for the training program;

(2) approve occupations and maintain a list of approved occupations for programs under this section;

(3) issue requests for proposals for grants;

(4) work with individuals representing industry and labor to develop new youth skills training programs;

(5) develop model program guides;

(6) monitor youth skills training programs;

(7) provide technical assistance to local partnership grantees;

(8) work with providers to identify paths for receiving postsecondary credit for participation in the youth skills training program; and

(9) approve other activities as necessary to implement the program.

(b) The commissioner shall collaborate with stakeholders, including, but not limited to, representatives of secondary school institutions, career and technical education instructors, postsecondary institutions, businesses, and labor, in developing youth skills training programs, and identifying and approving occupations and competencies for youth skills training programs.

Subd. 4. **Training agreement.** Each student learner shall sign a written training agreement on a form prescribed by the commissioner. Each agreement shall contain the name of the student learner, and be signed by the employer, the school coordinator or administrator, and the student learner, or if the student learner is a minor, by the student's parent or legal guardian. Copies of each agreement shall be kept on file by both the school and the employer.

Subd. 5. **Program approval.** The commissioner may grant exemptions from the provisions of chapter 181A for student learners participating in youth skills training programs approved by the commissioner under this section. The approval of a youth skills training program will be reviewed annually. The approval of a youth skills training program may be revoked at any time if the commissioner finds that:

(1) all provisions of subdivision 3 have not been met in the previous year; or

(2) reasonable precautions have not been observed for the safety of minors.

The commissioner shall maintain and annually update a list of occupations and tasks suitable for student learners in compliance with federal law.

Subd. 6. **Interactions with education finance.** (a) For the purpose of computing state aids for the enrolling school district, the hours a student learner participates in a youth skills training program under this section must be counted in the student's hours of average daily membership under section 126C.05.

(b) Educational expenses for a participating student learner must be included in the enrolling district's career and technical revenue as provided under section 124D.4531.

Subd. 7. **Academic credit.** A school district may grant academic credit to student learners participating in youth skills training programs under this section in accordance with local requirements.

Subd. 8. **Postsecondary credit.** A postsecondary institution may award postsecondary credit to a student learner who successfully completes a youth skills training program.

Subd. 9. **Work-based learning program.** A youth skills training program shall qualify as a work-based learning program if it meets requirements for a career and technical education program and is supervised by a qualified teacher with appropriate licensure for a work-based learning teacher-coordinator.

Subd. 10. **School coordinator.** Unless otherwise required for a work-based learning program, a youth skills training program may be supervised by a qualified teacher or by an administrator as determined by the school district.

Subd. 11. **Other apprenticeship programs.** (a) This section shall not affect programs under section 124D.47.

(b) A registered apprenticeship program governed by chapter 178 may grant credit toward the completion of a registered apprenticeship for the successful completion of a youth skills training program under this section.

Subd. 12. **Grant applications.** (a) Applications for grants must be made to the commissioner on a form provided by the commissioner.

(b) A local partnership may apply for a grant and shall include in its grant application:

(1) the identity of each school district, public agency, nonprofit organization, or individual who is a participant in the local partnership;

(2) the identity of each employer who is a participant in the local partnership and the amount of matching funds provided by each employer, if any;

(3) a plan to accomplish the implementation and coordination of activities specified in this subdivision; and

(4) the identity of a fiscal agent responsible for receiving, managing, and accounting for the grant.

**Subd. 13. Grant awards.** (a) A local partnership awarded a grant under this section must use the grant award for any of the following implementation and coordination activities:

(1) recruiting additional employers to provide on-the-job training and supervision for student learners and providing technical assistance to those employers;

(2) recruiting students to participate in the local youth skills training program and monitoring the progress of student learners participating in the program and monitoring program outcomes;

(3) coordinating youth skills training activities within participating school districts and among participating school districts, postsecondary institutions, and employers;

(4) coordinating academic, vocational and occupational learning, school-based and work-based learning, and secondary and postsecondary education for participants in the local youth skills training program;

(5) coordinating transportation for student learners participating in the local youth skills training program; and

(6) any other implementation or coordination activity that the commissioner may direct or permit the local partnership to perform.

(b) Grant awards may not be used to directly or indirectly pay the wages of a student learner.

**Subd. 14. Outcomes.** The following outcomes are expected of a local youth skills training program:

(1) at least 80 percent of the student learners who participate in a youth skills training program receive a high school diploma when eligible on completion of the training program; and

(2) at least 60 percent of the student learners who participate in a youth skills training program receive a recognized credential on completion of the training program.

**Subd. 15. Reporting.** (a) By February 1, 2019, and annually thereafter, the commissioner shall report on the activity and outcomes of the program for the preceding fiscal year to the chairs of the legislative committees with jurisdiction over jobs and economic growth policy and finance. At a minimum, the report must include:

(1) the number of student learners who commenced the training program and the number who completed the training program; and

(2) recommendations, if any, for changes to the program.

(b) The initial report shall include a detailed description of the differences between the state and federal systems in child safety standards.

Sec. 2. **APPROPRIATIONS; YOUTH SKILLS TRAINING PROGRAM.**

(a) \$100,000 in fiscal year 2018 is appropriated from the workforce development fund to the commissioner of labor and industry to administer the youth skills training program under Minnesota Statutes, section 175.46. This is an ongoing appropriation.

(b) \$500,000 in fiscal year 2019 is appropriated from the workforce development fund to the commissioner of labor and industry for grants to local partnerships located throughout the state. The base amount for this program is \$500,000 each year beginning in fiscal year 2020."

With the recommendation that when so amended the bill be re-referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

The report was adopted.

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

H. F. No. 643, A bill for an act relating to health licensing; clarifying title protection and grounds for disciplinary action; making technical changes; amending Minnesota Statutes 2016, sections 147.081; 147.091, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 147.

Reported the same back with the recommendation that the bill be placed on the General Register.

The report was adopted.

Garofalo from the Committee on Job Growth and Energy Affordability Policy and Finance to which was referred:

H. F. No. 705, A bill for an act relating to workforce development; providing funding for adult workforce development initiatives in greater Minnesota; appropriating money.

Reported the same back with the following amendments:

Page 1, line 12, after the period, insert "The commissioner shall report to the committees with jurisdiction by January 15, 2018, and January 15, 2019, about the effect of this appropriation on disparities based on geography, wealth, race, and gender. "Disparities" means differences in economic, employment, health, education, or public safety outcomes between the state population as a whole and subgroups of the population defined by geography, wealth, race, and gender."

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

The report was adopted.

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

H. F. No. 739, A bill for an act relating to telecommunications; providing for collocation of small wireless facilities; amending Minnesota Statutes 2016, sections 237.162, subdivisions 2, 3, 9, by adding subdivisions; 237.163, subdivisions 2, 4, 5, 6, 7, by adding subdivisions.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2016, section 237.162, subdivision 2, is amended to read:

Subd. 2. **Local government unit.** "Local government unit" means a county, home rule charter or statutory city, ~~or town, or the Metropolitan Council.~~

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

Sec. 2. Minnesota Statutes 2016, section 237.162, subdivision 4, is amended to read:

Subd. 4. **Telecommunications right-of-way user.** (a) "Telecommunications right-of-way user" means a person owning or controlling a facility in the public right-of-way, or seeking to own or control a facility in the public right-of-way, that is used or is intended to be used for transporting telecommunications or other voice or data information.

(b) A provider of wireless services using a small wireless facility authorized by a collocation permit approved under section 237.163, subdivision 3c, is a telecommunications right-of-way user for the purposes of this section and section 237.163.

(c) Neither a cable communication system defined and regulated under chapter 238, ~~and nor, with respect to the provision of~~ telecommunications activities related to providing natural gas or electric energy services ~~whether provided by,~~ a public utility as defined in section 216B.02, a municipality, a municipal gas or power agency organized under chapter 453 or 453A, or a cooperative electric association organized under chapter 308A, ~~are not is~~ a telecommunications right-of-way ~~users~~ user for the purposes of this section and section 237.163, ~~unless these entities are providing wireless services using a small wireless facility authorized by a collocation permit approved under section 237.163, subdivision 3c.~~

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

Sec. 3. Minnesota Statutes 2016, section 237.162, subdivision 9, is amended to read:

Subd. 9. **Management costs or rights-of-way management costs.** (a) "Management costs" or "rights-of-way management costs" means the actual costs a local government unit incurs in managing its public rights-of-way, and includes such costs, if incurred, as those associated with registering applicants; issuing, processing, and verifying right-of-way or collocation permit applications; inspecting job sites and restoration projects; maintaining, supporting, protecting, or moving user equipment during public right-of-way work; determining the adequacy of right-of-way restoration; restoring work inadequately performed after providing notice and the opportunity to correct the work; and revoking right-of-way or collocation permits.

(b) Management costs do not include a fee charged by a third-party contractor of the local government unit for performance of any of the management activities in paragraph (a). Management costs do not include payment by a telecommunications right-of-way user for the use of the public right-of-way, any fee based on a telecommunications

right-of-way user's revenues or number of customers, subscribers, access lines, or other performance measure, the fees and cost of litigation relating to the interpretation of this section or section 237.163 or any ordinance enacted under those sections, or the local unit of government's fees and costs related to appeals taken pursuant to section 237.163, subdivision 5.

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

Sec. 4. Minnesota Statutes 2016, section 237.162, is amended by adding a subdivision to read:

Subd. 10. **Collocate.** "Collocate" or "collocation" means to install, mount, maintain, modify, operate, or replace a small wireless facility on, under, within, or adjacent to an existing wireless support structure that is owned privately or by a local government unit.

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

Sec. 5. Minnesota Statutes 2016, section 237.162, is amended by adding a subdivision to read:

Subd. 11. **Small wireless facility.** "Small wireless facility" means a wireless facility that meets both of the following qualifications:

(1) each antenna is located inside an enclosure of no more than six cubic feet in volume or, in the case of an antenna that has exposed elements, the antenna and all its exposed elements could fit within an enclosure of no more than six cubic feet; and

(2) all other wireless equipment associated with the facility, excluding electric meters, concealment elements, telecommunications demarcation boxes, battery backup power systems, grounding equipment, power transfer switches, cutoff switches, cable, conduit, vertical cable runs for the connection of power and other services, and any equipment concealed from public view within or behind an existing structure or concealment, is in aggregate no more than 28 cubic feet in volume.

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

Sec. 6. Minnesota Statutes 2016, section 237.162, is amended by adding a subdivision to read:

Subd. 12. **Utility pole.** "Utility pole" means a pole that is used in whole or in part to facilitate telecommunications or electric service.

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

Sec. 7. Minnesota Statutes 2016, section 237.162, is amended by adding a subdivision to read:

Subd. 13. **Wireless facility.** "Wireless facility" means an antenna, accessory equipment, or other wireless device or equipment used to provide wireless service.

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

Sec. 8. Minnesota Statutes 2016, section 237.162, is amended by adding a subdivision to read:

Subd. 14. **Wireless service.** "Wireless service" means any service using licensed or unlicensed wireless spectrum, whether at a fixed location or by means of a mobile device, that is provided using wireless facilities.

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

Sec. 9. Minnesota Statutes 2016, section 237.162, is amended by adding a subdivision to read:

**Subd. 15. Wireless support structure.** "Wireless support structure" means a pole, including but not limited to a monopole, light pole, traffic signal, arch, sign pole, kiosk, post, or utility pole, that is capable of supporting wireless facilities.

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

Sec. 10. Minnesota Statutes 2016, section 237.163, subdivision 2, is amended to read:

**Subd. 2. Generally.** (a) Subject to this section, a telecommunications right-of-way user authorized to do business under the laws of this state or by license of the Federal Communications Commission may construct, maintain, and operate small wireless facilities, conduit, cable, switches, and related appurtenances and facilities along, across, upon, above, and under any public right-of-way.

(b) Subject to this section, a local government unit has the authority to manage its public rights-of-way and to recover its rights-of-way management costs. Except as provided in subdivisions 3a, 3b, and 3c, the authority defined in this section may be exercised at the option of the local government unit. ~~The exercise of this authority and~~ is not mandated under this section. A local government unit may, by ordinance:

(1) require a telecommunications right-of-way user seeking to excavate or obstruct a public right-of-way for the purpose of providing telecommunications services to obtain a right-of-way permit to do so and to impose permit conditions consistent with the local government unit's management of the right-of-way;

(2) require a telecommunications right-of-way user using, occupying, or seeking to use or occupy a public right-of-way for the purpose of providing telecommunications services to register with the local government unit by providing the local government unit with the following information:

(i) the applicant's name, gopher state one-call registration number under section 216D.03, address, and telephone and facsimile numbers;

(ii) the name, address, and telephone and facsimile numbers of the applicant's local representative;

(iii) proof of adequate insurance; and

(iv) other information deemed reasonably necessary by the local government unit for the efficient administration of the public right-of-way; and

(3) require telecommunications right-of-way users to submit to the local government unit plans for construction and major maintenance that provide reasonable notice to the local government unit of projects that the telecommunications right-of-way user expects to undertake that may require excavation and obstruction of public rights-of-way.

(c) A local government unit may also require a telecommunications right-of-way user that is registered with the local government unit pursuant to paragraph (b), clause (2), to periodically update the information in its registration application.

(d) Notwithstanding sections 394.34 and 462.355, or any other law, a local government unit must not establish a moratorium with respect to:

(1) filing, receiving, or processing applications for right-of-way or collocation permits; or

(2) issuing or approving right-of-way or collocation permits.

(e) A telecommunications right-of-way user may collocate small wireless facilities on wireless support structures located within a public right-of-way, subject to the approval procedures under this section and the reasonable terms, conditions, and rates set forth under this chapter. A local government unit may prohibit, regulate, or charge a fee to install wireless support structures or to collocate small wireless facilities only as provided in this chapter.

(f) A local government unit's zoning, land use, or other official controls must classify wireless support structures or small wireless facilities located in a public right-of-way as a permitted use. A telecommunications right-of-way user must not be required to obtain zoning approval to install, collocate, maintain, or repair a small wireless facility or a wireless support structure in a public right-of-way. This paragraph does not apply to areas outside a public right-of-way that are zoned and used for single family residential use.

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

Sec. 11. Minnesota Statutes 2016, section 237.163, is amended by adding a subdivision to read:

**Subd. 3a. Collocation permits; general.** (a) A local government unit:

(1) may require a telecommunications right-of-way user to obtain a permit or permits under this section to collocate a small wireless facility in a public right-of-way managed by the local government unit;

(2) must not require an applicant for a collocation permit to provide any information that is different from or in addition to the information the local government unit requires from a provider of nonwireless telecommunications services, except for information related to demonstrating compliance with applicable Federal Communications Commission regulations governing radio frequency exposure or other information required by this section;

(3) must not require an applicant for a collocation permit to perform services unrelated to the collocation or collocations for which approval is sought;

(4) must ensure that any application for a collocation permit is processed on a nondiscriminatory basis; and

(5) must specify that the term of the collocation permit is equal to the length of time that the small wireless facility is in use, unless the permit is revoked under this section.

(b) An applicant may file a consolidated permit application to collocate up to 35 separate small wireless facilities. If a local government unit receives within a seven-day period applications from one or more wireless service providers seeking approval of more than 75 small wireless facilities in aggregate, the local government unit may, upon written notice to the applicants seeking collocation permits for the small wireless facilities exceeding the first 75 received, extend the review period specified in subdivision 3c by an additional 20 days with respect to those incremental small wireless facilities. An extension obtained under this paragraph does not prevent a further extension allowed under subdivision 3c, if mutually agreed to in writing by the applicant and the local government unit.

(c) A local government unit is prohibited from requiring a collocation permit for routine maintenance of a small wireless facility or for replacement of a small wireless facility with a new facility that is substantially similar or smaller in size, weight, height, and wind or structural loading than the small wireless facility being replaced. A local government unit may require a right-of-way permit if the maintenance or replacement work will obstruct a public right-of-way.



(d) Nothing in this subdivision affects the need for an entity seeking to place a small wireless facility on a wireless support structure that is not owned by a local government unit to obtain from the owner of the wireless support structure any necessary authority to place the small wireless facility.

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

Sec. 12. Minnesota Statutes 2016, section 237.163, is amended by adding a subdivision to read:

**Subd. 3b. Collocation permits; placement.** (a) A local government unit may not require the placement of small wireless facilities on any specific utility pole or type of pole, or require multiple small wireless facilities to be placed on a single pole.

(b) A local government unit must not limit the placement of small wireless facilities, either by minimum separation distances or maximum height limitations, except that each wireless support structure installed in the right-of-way after the effective date of this act must not exceed the greater of:

(1) ten feet in height above the tallest existing utility pole in place that is located within 500 feet of the new wireless support structure in the same right-of-way as of the effective date of this act; or

(2) 50 feet above ground level.

(c) Wireless facilities constructed in the right-of-way after the effective date of this act may not extend more than ten feet above an existing wireless support structure in place as of the effective date of this act.

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

Sec. 13. Minnesota Statutes 2016, section 237.163, is amended by adding a subdivision to read:

**Subd. 3c. Collocation permits; approval.** (a) Except as provided in subdivision 4, a local government unit shall issue a collocation permit to a telecommunications right-of-way user seeking to install a new or replacement wireless support structure for a small wireless facility, or to collocate a small wireless facility on a wireless support structure in a public right-of-way. In processing and approving a collocation permit, a local government unit may condition its approval on compliance with:

(1) generally applicable health, safety, and welfare conditions consistent with the local government unit's public right-of-way management;

(2) reasonable accommodations for decorative utility poles or signs; and

(3) any reasonable restocking, replacement, or relocation requirements when a new wireless support structure is placed in a public right-of-way.

(b) A local government unit has 60 days after the date a collocation permit is filed to issue or deny the permit, or the permit is automatically issued. To toll the 60-day clock, the local government unit must provide a written notice of incompleteness to the applicant within 30 days of receipt of the application, clearly and specifically delineating all missing documents or information. Information delineated in the notice is limited to documents or information publicly required as of the date of application and reasonably related to a local government unit's determination whether the proposed equipment falls within the definition of a small wireless facility and whether the proposed deployment satisfies all health, safety, and welfare regulations applicable to the collocation permit request. Upon an applicant's submittal of additional documents or information in response to a notice of incompleteness, the local government unit has ten days to notify the applicant in writing of any information requested in the initial notice of

incompleteness that is still missing. Second or subsequent notices of incompleteness may not specify documents or information that were not delineated in the original notice of incompleteness. Requests for information not requested in the initial notice of incompleteness do not toll the 60-day clock. Parties can mutually agree in writing to toll the 60-day clock at any time.

For the purposes of this subdivision, "toll the 60-day clock" means to halt the progression of days that count towards the 60-day deadline.

(c) Except as provided in subdivision 3a, paragraph (b), a collocation permit and any associated encroachment or building permit required by a local government unit, are deemed approved if the local government unit fails to approve or deny the application within 60 days after the permit application has been filed, unless the applicant and the local government unit have mutually agreed in writing to extend the 60-day deadline.

(d) Nothing in this subdivision precludes a local government unit from applying generally applicable health, safety, and welfare regulations in connection with evaluating a collocation permit application and its decision to approve or deny a collocation permit. For purposes of this subdivision, "generally applicable health, safety, and welfare regulations" mean uniform building, fire, electrical, plumbing, or mechanical codes that are adopted under Minnesota law.

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

Sec. 14. Minnesota Statutes 2016, section 237.163, subdivision 4, is amended to read:

Subd. 4. **Permit denial or revocation.** (a) A local government unit may deny any application for a right-of-way or collocation permit if the telecommunications right-of-way user does not comply with a provision of this section.

(b) A local government unit may deny an application for a right-of-way permit if the local government unit determines that the denial is necessary to protect the health, safety, and welfare or when necessary to protect the public right-of-way and its current use.

(c) A local government unit may revoke a right-of-way or collocation permit granted to a telecommunications right-of-way user, with or without fee refund, in the event of a substantial breach of the terms and conditions of statute, ordinance, rule, or regulation or any material condition of the permit. A substantial breach by a permittee includes, but is not limited to, the following:

- (1) a material violation of a provision of the right-of-way or collocation permit;
- (2) an evasion or attempt to evade any material provision of the right-of-way or collocation permit, or the perpetration or attempt to perpetrate any fraud or deceit upon the local government unit or its citizens;
- (3) a material misrepresentation of fact in the right-of-way or collocation permit application;
- (4) a failure to complete work in a timely manner, unless a permit extension is obtained or unless the failure to complete work is due to reasons beyond the permittee's control; and
- (5) a failure to correct, in a timely manner, work that does not conform to applicable standards, conditions, or codes, upon inspection and notification by the local government unit of the faulty condition.

(d) Subject to this subdivision, a local government unit may not deny an application for a right-of-way or collocation permit for failure to include a project in a plan submitted to the local government unit under subdivision 2, paragraph (b), clause (3) (2), when the telecommunications right-of-way user has used commercially reasonable efforts to anticipate and plan for the project.

(e) In no event may a local government unit unreasonably withhold approval of an application for a right-of-way permit, or unreasonably revoke a permit.

(f) Any denial or revocation of a right-of-way or collocation permit must be made in writing and must document the basis for the denial, including the specific regulations, codes, or standards supporting or requiring the denial. The local government unit must notify the telecommunications right-of-way user in writing within three days of the decision to deny or revoke a permit. If a permit application is denied, the telecommunications right-of-way user may cure the deficiencies identified by the local government unit and resubmit its application. If the telecommunications right-of-way user resubmits the application within 30 days of receiving written notice of the denial, it may not be charged an additional filing or processing fee. The local government unit must approve or deny the revised application within 30 days after the revised application is submitted.

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

Sec. 15. Minnesota Statutes 2016, section 237.163, subdivision 6, is amended to read:

Subd. 6. **Fees.** (a) A local government unit may recover its right-of-way management costs by imposing a fee for registration, a fee for each right-of-way permit, or, when appropriate, a fee applicable to a particular telecommunications right-of-way user when that user causes the local government unit to incur costs as a result of actions or inactions of that user. A local government unit may not recover from a telecommunications right-of-way user costs caused by another entity's activity in the right-of-way.

(b) Fees, or other right-of-way obligations, imposed by a local government unit on telecommunications right-of-way users under this section must be:

(1) based on the actual costs incurred by the local government unit in managing the public right-of-way;

(2) based on an allocation among all users of the public right-of-way, including the local government unit itself, which shall reflect the proportionate costs imposed on the local government unit by each of the various types of uses of the public rights-of-way;

(3) imposed on a competitively neutral basis; and

(4) imposed in a manner so that aboveground uses of public rights-of-way do not bear costs incurred by the local government unit to regulate underground uses of public rights-of-way.

(c) The rights, duties, and obligations regarding the use of the public right-of-way imposed under this section must be applied to all users of the public right-of-way, including the local government unit while recognizing regulation must reflect the distinct engineering, construction, operation, maintenance and public and worker safety requirements, and standards applicable to various users of the public rights-of-way. For users subject to the franchising authority of a local government unit, to the extent those rights, duties, and obligations are addressed in the terms of an applicable franchise agreement, the terms of the franchise shall prevail over any conflicting provision in an ordinance.

(d) Total application fees for a collocation permit shall not exceed the lesser of the amount charged by the local government unit for a building permit for any similar commercial construction, activity, or land use development, or \$100 each for up to five small wireless facilities included in a consolidated application, and \$50 for each additional small wireless facility included in the application. The application fees for a collocation permit calculated under this paragraph shall be deemed to cover all rights-of-way management costs incurred by a local government unit that are related to the collocation permit, as specified in section 237.162, subdivision 9.

(e) A wireless provider may collocate small wireless facilities on wireless support structures owned or controlled by a local government unit and located within the public roads or rights-of-way without being required to apply for or enter into any individual license, franchise, or other agreement with the local government unit or any other entity.

(f) Any initial engineering survey and preparatory construction work associated with collocation must be paid by the cost causer in the form of a onetime, nonrecurring, commercially reasonable, nondiscriminatory, and competitively neutral charge to recover the costs associated with a proposed attachment.

(g) If a local government unit elects to charge rent for occupying space on a wireless support structure that it owns, the total rent, excluding any applicable preparatory charge, shall not exceed the actual, direct, and reasonable costs related to the use of space on the wireless support structure. In any dispute concerning the appropriateness of the rent charged, the local government unit owning or controlling the wireless support structure shall have the burden of proving that the rent amount is reasonably related to the actual, direct, and reasonable costs incurred for use of space on the wireless support structure for the applicable period of time.

(h) The terms and conditions of collocation under paragraphs (e) to (g) must be:

(1) set forth in the permit;

(2) nondiscriminatory, competitively neutral, and commercially reasonable; and

(3) compliant with this section, section 237.162, and federal pole attachment requirements under United States Code, title 47, section 224, and related implementing regulations governing the costs and process for any necessary engineering survey and preparatory construction work associated with preparing utility poles for collocation, including, as applicable, relocating existing attachments, and upgrading or replacing a utility pole.

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

Sec. 16. Minnesota Statutes 2016, section 237.163, is amended by adding a subdivision to read:

**Subd. 9. Authorized contractors.** (a) Nothing in this section precludes a telecommunications right-of-way user from authorizing another entity or individual to act on its behalf to install, construct, maintain, or repair a facility or facilities owned or controlled by the telecommunications right-of-way user.

(b) A local government unit is prohibited from imposing fees or requirements on an authorized entity or individual for actions on behalf of a telecommunications right-of-way user that are in addition to or different from the fees and requirements it is authorized to impose on the telecommunications right-of-way user under this section.

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

Correct the title numbers accordingly

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

The report was adopted.

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

H. F. No. 740, A bill for an act relating to commerce; regulating motor vehicle franchises; specifying warranty and recall obligations; providing unfair practices by manufacturers, distributors, and factory branches; amending Minnesota Statutes 2016, sections 80E.11, subdivision 7; 80E.13; 80E.16, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 80E; repealing Minnesota Statutes 2016, section 80E.04.

Reported the same back with the following amendments:

Page 1, line 15, before the period, insert "if applicable"

Page 1, line 17, delete "and maintenance"

Page 1, line 20, delete "shall" and insert "may"

Page 1, line 23, delete "60" and insert "90"

Page 2, line 14, before "part" insert "new"

Page 3, line 3, delete "required" and insert "permitted"

Page 4, line 2, delete ":(1)"

Page 4, line 3, delete everything after "warranty" and insert a period

Page 4, delete lines 4 to 6

Page 4, delete section 2 and insert:

"Sec. 2. **[80E.045] RECALL REPAIRS; MANUFACTURER AND DEALER OBLIGATIONS.**

Subdivision 1. **Requirements.** (a) A manufacturer shall compensate its new motor vehicle dealers for all labor and parts required to perform recall repairs. Compensation for recall repairs must be fair and reasonable and be consistent with section 80E.041. If parts or a remedy are not reasonably available to perform a recall service or repair on a vehicle held for sale by a dealer authorized to sell new motor vehicles of the same line make within 15 days of the manufacturer issuing the initial notice of recall and the manufacturer has issued a stop-sale or do-not-drive order on the vehicle, the manufacturer shall compensate the dealer at a prorated rate of at least 1.75 percent of the value of the vehicle per month while the recall or remedy parts are unavailable and the stop-sale or do-not-drive order remains in effect.

(b) A stop-sale or do-not-drive order means a notification issued by a vehicle manufacturer to its franchised dealerships stating that certain used vehicles in inventory should not be sold or leased at retail or wholesale due to a federal safety recall for a defect, a noncompliance recall, or a federal emissions recall.

Subd. 2. **Value of vehicle.** The value of a used vehicle is the average trade-in value for used vehicles as indicated in an independent third-party guide for the year, make, model, and mileage of the recalled vehicle.

Subd. 3. **Application.** This section applies only to: (1) used vehicles subject to safety or emissions recalls pursuant to and recalled in accordance with federal law and regulations adopted thereunder and where a stop-sale or do-not-drive order has been issued; and (2) new motor vehicle dealers holding used vehicles for sale that are a line make that the dealer is franchised to sell or which the dealer is authorized to perform recall repairs.

Subd. 4. **Violations.** It is a violation of this section for a manufacturer to reduce the amount of compensation otherwise owed to a new motor vehicle dealer, whether through a charge back, removal from an incentive program, reduction in amount owed under an incentive program, or any other means, because the new motor vehicle dealer has submitted a claim for reimbursement under this section or was otherwise compensated for a vehicle subject to a recall where a stop-sale or do-not-drive order has been issued.

Subd. 5. **Payment of claims.** (a) All reimbursement claims made by new motor vehicle dealers pursuant to this section for recall remedies or repairs or for compensation where no part or repair is reasonably available and the vehicle is subject to a stop-sale or do-not-drive order must be subject to the same limitations and requirements as a warranty reimbursement claim made under section 80E.041. Claims must be either approved or disapproved within 30 days after they are submitted to the manufacturer in the manner and on the forms the manufacturer reasonably prescribes. All claims shall be paid within 30 days of approval of the claim by the manufacturer. Any claim not specifically disapproved in writing within 30 days after the manufacturer receives them shall be deemed to be approved.

(b) As an alternative to paragraph (a), a manufacturer may compensate its franchised dealers under a national recall compensation program provided the compensation under the program is equal to or greater than that provided under subdivision 1 or the manufacturer and dealer otherwise agree."

Page 5, line 19, delete "it proves that"

Page 5, line 21, delete everything after "standards" and insert "or does not meet the franchisor's"

Page 5, line 22, delete everything before "uniformly"

Page 5, line 23, delete everything after "standards" and insert "to be a franchised new motor vehicle dealer."

Page 5, line 25, delete "analysis" and insert "explanation"

Page 5, line 27, delete "60" and insert "90"

Page 5, line 30, delete "60-day" and insert "90-day"

Page 6, line 2, after the period, insert "Notwithstanding the foregoing, the franchisor shall not be required to accept a successor approved or deemed approved under this section if the franchisor can demonstrate that the proposed successor, at the time of succession, would result in executive management control by a person who is not of good moral character or who does not meet the franchisor's existing reasonable capital standards or does not meet the franchisor's uniformly applied minimum business experience standards to be a franchised new motor vehicle dealer."

Page 9, line 30, delete "with reasonable clarity"

Page 9, line 33, delete "including all of the elements used to determine such"

Page 9, line 34, delete "objective, standard, incentive, or target"

Page 10, lines 10 and 21, delete "or projected future"

Page 10, delete lines 24 to 28

Page 10, line 29, delete everything before "between" and insert "(1) the traffic patterns"

Page 10, line 32, delete "(3)" and insert "(2)" and delete "historical and projected future"

Page 11, line 1, delete "(4)" and insert "(3)"

Page 11, delete lines 3 to 11

Page 11, line 12, delete "(7)" and insert "(4)"

Page 11, line 14, delete "(8)" and insert "(5)"

Page 11, delete line 17

Page 11, line 18, delete "(10)" and insert "(6)"

Page 12, line 4, delete "20" and insert "ten"

Page 12, line 10, before "80E.12" insert "80E.041, 80E.045," and before "or" insert a comma

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

The report was adopted.

Fabian from the Committee on Environment and Natural Resources Policy and Finance to which was referred:

H. F. No. 771, A bill for an act relating to environment; providing for certain demolition debris landfill permitting.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **DEMOLITION DEBRIS LANDFILL PERMITTING.**

A solid waste permit issued by the Pollution Control Agency to an existing class I demolition debris landfill facility that is operating under the Pollution Control Agency Demolition Landfill Guidance, issued August 2005, is extended pursuant to Minnesota Rules, part 7001.0160, for five years, unless a new permit is issued for the facility by the Pollution Control Agency after the effective date of this section.

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

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

The report was adopted.

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

H. F. No. 774, A bill for an act relating to human services; modernizing and modifying certain provisions of the Deaf and Hard-of-Hearing Services Act; appropriating money; amending Minnesota Statutes 2016, sections 256C.23, subdivision 2, by adding a subdivision; 256C.233, subdivisions 1, 2; 256C.24, subdivisions 1, 2; 256C.261; repealing Minnesota Statutes 2016, sections 256C.23, subdivision 3; 256C.233, subdivision 4; 256C.25, subdivisions 1, 2.

Reported the same back with the following amendments:

Page 1, after line 8, insert:

"Section 1. Minnesota Statutes 2016, section 256C.23, is amended by adding a subdivision to read:

Subd. 1a. **Culturally affirmative services.** "Culturally affirmative services" means services that are designed and delivered within the context of the culture, language, and life experiences of a person who is deaf, a person who is deafblind, and a person who is hard-of-hearing."

Page 1, line 11, after "Language" insert "or other signed language, visual and manual means of communication such as signing systems in English or Cued Speech"

Page 1, after line 12, insert:

"Sec. 3. Minnesota Statutes 2016, section 256C.23, is amended by adding a subdivision to read:

Subd. 2c. **Interpreting services.** "Interpreting services" means services that include:

(1) interpreting between a spoken language, such as English, and a visual language, such as American Sign Language;

(2) interpreting between a spoken language and a visual representation of a spoken language, such as Cued Speech and signing systems in English;

(3) interpreting within one language where the interpreter uses natural gestures and silently repeats the spoken message, replacing some words or phrases to give higher visibility on the lips; and

(4) interpreting using low vision or tactile methods for people who have a combined hearing and vision loss or are deafblind."

Page 1, line 23, strike "social" and after the stricken "occupational" insert "social-emotional"

Page 2, line 12, strike "service centers" and insert "culturally affirmative services"

Page 3, line 1, delete the third "and"

Page 3, line 2, delete "possible" and insert "practicable"

Page 3, line 3, delete the period and insert "; and"



Page 3, after line 3, insert:

"(8) report to the chairs and ranking minority members of the legislative committees with jurisdiction over human services biennially, beginning on January 1, 2019, on the following:

(i) the number of regional service center staff, the location of the office of each staff person, other service providers with which they are co-located, the number of people served by each staff person and a breakdown of whether each person was served on-site or off-site, and for those served off-site, a list of locations where services were delivered and the number who were served in-person and the number who were served via technology;

(ii) the amount and percentage of the division budget spent on accommodations for staff;

(iii) the number of people who use demonstration equipment and consumer evaluations of the experience;

(iv) the number of training sessions provided by division staff, the topics covered, the number of participants, and consumer evaluations, including a breakdown by delivery method such as in-person or via technology;

(v) the number of training sessions hosted at a division location provided by another service provider, the topics covered, the number of participants, and consumer evaluations, including a breakdown by delivery method such as in-person or via technology;

(vi) for each grant awarded, the amount awarded to the grantee and a summary of the grantee's results, including consumer evaluations of the services or products provided;

(vii) the number of people on waiting lists for any services provided by division staff or for services or equipment funded through grants awarded by the division;

(viii) the amount of time staff spent driving to appointments in clients' homes to deliver direct one-to-one client services in locations outside of the regional service centers; and

(ix) the amount spent on mileage reimbursement and the number of clients who received mileage reimbursement for traveling to the regional service centers for services."

Page 3, line 12, delete the first comma and insert "and collaborations" and delete the second comma

Page 3, line 25, delete "provide or coordinate" and insert "identify regional training needs, work with deaf and hard-of-hearing services training staff, and collaborate with others to deliver"

Page 3, line 28, delete "methods" and insert "options"

Page 3, lines 29 and 30, strike the old language and delete the new language and insert "(6) have a mobile or permanent lab"

Page 4, line 2, after "try" insert "a selection of modern assistive technology and"

Page 4, line 30, delete everything after the first period

Page 5, lines 2 to 6, strike the old language and delete the new language and insert "use at least 35 percent of the deafblind services biennial base level grant funding for services and other supports for a child who is deafblind and the child's family. The commissioner shall use at least 25 percent of the deafblind services biennial base level grant funding for services and other supports for an adult who is deafblind."

Page 5, after line 16, insert:

"(c) Consumer-directed services shall be provided in whole by grant-funded providers. The deaf and hard-of-hearing regional service centers shall not provide any aspect of a grant-funded consumer-directed services program."

Page 5, line 17, strike "(c)" and insert "(d)"

Page 5, line 19, strike "(d)" and insert "(e)"

Page 5, line 27, delete everything after the period

Page 5, line 28, delete "language." and insert "The recommendations must address:"

Page 5, after line 28, insert:

"(1) types of equipment and supports the program should provide to ensure people with communication difficulties have equitable access to telecommunications services;

(2) additional services the program should provide such as education about technology options that can improve a person's access to telecommunications service; and

(3) how the current program's service delivery structure might be improved to better meet the needs of people with communication disabilities.

The commissioner shall also provide draft legislative language to accomplish the recommendations."

Page 5, before line 29, insert:

"Sec. 11. **DIRECTION TO COMMISSIONER; BILLING FOR MENTAL HEALTH SERVICES.**

By January 1, 2018, the commissioner of human services shall report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over deaf and hard-of-hearing services on the potential costs and benefits of the Deaf and Hard-of-Hearing Services Division billing for the cost of providing mental health services."

Page 6, line 11, after the first period, insert "Each year the division must provide funds for training in ProTactile American Sign Language or other communication systems used by people who are deafblind. Training shall be provided to persons who are deafblind and to interpreters, support service providers, and intervenors who work with persons who are deafblind."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the second semicolon, insert "requiring a report;"

Correct the title numbers accordingly

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

The report was adopted.

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

H. F. No. 803, A bill for an act relating to human services; establishing the senior care workforce innovation grant program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 144.

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

The report was adopted.

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

H. F. No. 804, A bill for an act relating to health; modifying the health professional loan forgiveness program and the employee scholarship program; authorizing administration of medications by unlicensed personnel; appropriating money; amending Minnesota Statutes 2016, sections 144.1501, subdivision 2; 256R.37; proposing coding for new law in Minnesota Statutes, chapter 144A; repealing Minnesota Rules, part 4658.1360.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2016, section 144.1501, subdivision 2, is amended to read:

Subd. 2. **Creation of account.** (a) A health professional education loan forgiveness program account is established. The commissioner of health shall use money from the account to establish a loan forgiveness program:

(1) for medical residents and mental health professionals agreeing to practice in designated rural areas or underserved urban communities or specializing in the area of pediatric psychiatry;

(2) for midlevel practitioners agreeing to practice in designated rural areas or to teach at least 12 credit hours, or 720 hours per year in the nursing field in a postsecondary program at the undergraduate level or the equivalent at the graduate level;

(3) for nurses who agree to practice in a Minnesota nursing home; an intermediate care facility for persons with developmental disability; ~~or~~ a hospital if the hospital owns and operates a Minnesota nursing home and a minimum of 50 percent of the hours worked by the nurse is in the nursing home; or a housing with services establishment as defined in section 144D.01, subdivision 4; or a home care provider as defined in section 144A.43, subdivision 4; or agree to teach at least 12 credit hours, or 720 hours per year in the nursing field in a postsecondary program at the undergraduate level or the equivalent at the graduate level;

(4) for other health care technicians agreeing to teach at least 12 credit hours, or 720 hours per year in their designated field in a postsecondary program at the undergraduate level or the equivalent at the graduate level. The commissioner, in consultation with the Healthcare Education-Industry Partnership, shall determine the health care fields where the need is the greatest, including, but not limited to, respiratory therapy, clinical laboratory technology, radiologic technology, and surgical technology;

(5) for pharmacists, advanced dental therapists, dental therapists, and public health nurses who agree to practice in designated rural areas; and

(6) for dentists agreeing to deliver at least 25 percent of the dentist's yearly patient encounters to state public program enrollees or patients receiving sliding fee schedule discounts through a formal sliding fee schedule meeting the standards established by the United States Department of Health and Human Services under Code of Federal Regulations, title 42, section 51, chapter 303.

(b) Appropriations made to the account do not cancel and are available until expended, except that at the end of each biennium, any remaining balance in the account that is not committed by contract and not needed to fulfill existing commitments shall cancel to the fund.

Sec. 2. Minnesota Statutes 2016, section 256R.37, is amended to read:

**256R.37 SCHOLARSHIPS.**

(a) For the 27-month period beginning October 1, 2015, through December 31, 2017, the commissioner shall allow a scholarship per diem of up to 25 cents for each nursing facility with no scholarship per diem that is requesting a scholarship per diem to be added to the external fixed payment rate to be used:

(1) for employee scholarships that satisfy the following requirements:

(i) scholarships are available to all employees who work an average of at least ten hours per week at the facility except the administrator, and to reimburse student loan expenses for newly hired ~~and recently graduated~~ registered nurses and licensed practical nurses, and training expenses for nursing assistants as specified in section 144A.611, subdivisions 2 and 4, who are newly hired ~~and have graduated within the last 12 months~~; and

(ii) the course of study is expected to lead to career advancement with the facility or in long-term care, including medical care interpreter services and social work; and

(2) to provide job-related training in English as a second language.

(b) All facilities may annually request a rate adjustment under this section by submitting information to the commissioner on a schedule and in a form supplied by the commissioner. The commissioner shall allow a scholarship payment rate equal to the reported and allowable costs divided by resident days.

(c) In calculating the per diem under paragraph (b), the commissioner shall allow costs related to tuition, direct educational expenses, and reasonable costs as defined by the commissioner for child care costs and transportation expenses related to direct educational expenses.

(d) The rate increase under this section is an optional rate add-on that the facility must request from the commissioner in a manner prescribed by the commissioner. The rate increase must be used for scholarships as specified in this section.

(e) For instances in which a rate adjustment will be 15 cents or greater, nursing facilities that close beds during a rate year may request to have their scholarship adjustment under paragraph (b) recalculated by the commissioner for the remainder of the rate year to reflect the reduction in resident days compared to the cost report year.

**Sec. 3. APPROPRIATION; HOME AND COMMUNITY-BASED SERVICES EMPLOYEE SCHOLARSHIP PROGRAM.**

\$..... in fiscal year 2018 and \$..... in fiscal year 2019 are appropriated from the general fund to the commissioner of health for the home and community-based services employee scholarship program under Minnesota Statutes, section 144.1503. The commissioner may use up to \$50,000 of the annual appropriation for administration.

**Sec. 4. REVISOR'S INSTRUCTION.**

The revisor shall fix cross-references to repealed Minnesota Rules, part 4658.1360, wherever it appears in Minnesota Statutes and Minnesota Rules.

**Sec. 5. REPEALER.**

Minnesota Rules, part 4658.1360, is repealed."

Delete the title and insert:

"A bill for an act relating to health; modifying the health professional loan forgiveness program and the employee scholarship program; appropriating money; amending Minnesota Statutes 2016, sections 144.1501, subdivision 2; 256R.37; repealing Minnesota Rules, part 4658.1360."

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

The report was adopted.

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

H. F. No. 805, A bill for an act relating to construction codes; modifying water conditioning installation requirements; amending Minnesota Statutes 2016, sections 326B.50, subdivisions 3, 4, by adding subdivisions; 326B.55; 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 2016, section 326B.435, subdivision 2, is amended to read:

Subd. 2. **Powers; duties; administrative support.** (a) The board shall have the power to:

(1) elect its chair, vice-chair, and secretary;

(2) adopt bylaws that specify the duties of its officers, the meeting dates of the board, and containing such other provisions as may be useful and necessary for the efficient conduct of the business of the board;

(3) adopt the Plumbing Code that must be followed in this state and any Plumbing Code amendments thereto. The Plumbing Code shall include the minimum standards described in sections 326B.43, subdivision 1, and 326B.52, subdivision 1. The board shall adopt the Plumbing Code and any amendments thereto pursuant to chapter 14 and as provided in subdivision 6, paragraphs (b), (c), and (d);

(4) review requests for final interpretations and issue final interpretations as provided in section 326B.127, subdivision 5;

(5) adopt rules that regulate the licensure, certification, or registration of plumbing contractors, journeymen, unlicensed individuals, master plumbers, restricted master plumbers, restricted journeymen, restricted plumbing contractors, backflow prevention rebuilders and testers, water conditioning contractors, and water conditioning installers, and other persons engaged in the design, installation, and alteration of plumbing systems or engaged in or working at the business of water conditioning installation or service, or engaged in or working at the business of medical gas system installation, maintenance, or repair, except for those individuals licensed under section 326.02, subdivisions 2 and 3. The board shall adopt these rules pursuant to chapter 14 and as provided in subdivision 6, paragraphs (e) and (f);

(6) adopt rules that regulate continuing education for individuals licensed as master plumbers, journeyman plumbers, restricted master plumbers, restricted journeyman plumbers, registered unlicensed individuals, water conditioning ~~contractors~~ masters, and water conditioning ~~installers~~ journeyman, and for individuals certified under sections 326B.437 and 326B.438. The board shall adopt these rules pursuant to chapter 14 and as provided in subdivision 6, paragraphs (e) and (f);

(7) refer complaints or other communications to the commissioner, whether oral or written, as provided in subdivision 8, that allege or imply a violation of a statute, rule, or order that the commissioner has the authority to enforce pertaining to code compliance, licensure, or an offering to perform or performance of unlicensed plumbing services;

(8) approve per diem and expenses deemed necessary for its members as provided in subdivision 3;

(9) approve license reciprocity agreements;

(10) select from its members individuals to serve on any other state advisory council, board, or committee; and

(11) recommend the fees for licenses, registrations, and certifications.

Except for the powers granted to the Plumbing Board, the Board of Electricity, and the Board of High Pressure Piping Systems, the commissioner of labor and industry shall administer and enforce the provisions of this chapter and any rules promulgated pursuant thereto.

(b) The board shall comply with section 15.0597, subdivisions 2 and 4.

(c) The commissioner shall coordinate the board's rulemaking and recommendations with the recommendations and rulemaking conducted by the other boards created pursuant to this chapter. The commissioner shall provide staff support to the board. The support includes professional, legal, technical, and clerical staff necessary to perform rulemaking and other duties assigned to the board. The commissioner of labor and industry shall supply necessary office space and supplies to assist the board in its duties.

Sec. 2. Minnesota Statutes 2016, section 326B.50, subdivision 3, is amended to read:

Subd. 3. **Water conditioning installation.** "Water conditioning installation" means the installation of appliances, appurtenances, and fixtures designed to treat water so as to alter, modify, add or remove mineral, chemical or bacterial content, said installation to be made in a water distribution system serving:

(1) a single family residential unit, which has been initially established by a licensed plumber, and does not involve a direct connection without an air gap to a soil or waste pipe; or

(2) a multifamily or nonresidential building, where the plumbing installation has been initially established by a licensed plumber. Isolation valves shall be required for all water conditioning installations and shall be readily accessible. Water conditioning installation does not include:

(i) a valve that allows isolation of the water conditioning installation;

(ii) piping greater than two-inch nominal pipe size; or

(iii) a direct connection without an air gap to a soil or waste pipe.

Sec. 3. Minnesota Statutes 2016, section 326B.50, is amended by adding a subdivision to read:

Subd. 5. **Direct supervision.** "Direct supervision," with respect to direct supervision of a registered unlicensed individual, means that:

(1) at all times while the registered unlicensed individual is performing water conditioning installation work, a direct supervisor is present at the location where the registered unlicensed individual is working;

(2) the direct supervisor is physically present and immediately available to the registered unlicensed individual at all times for assistance and direction;

(3) any form of electronic supervision does not meet the requirement of being physically present;

(4) the direct supervisor reviews the water conditioning installation work performed by the registered unlicensed individual before the water conditioning installation is operated; and

(5) the direct supervisor determines that all water conditioning installation work performed by the registered unlicensed individual is performed in compliance with sections 326B.50 to 326B.59, all rules adopted under these sections, the Minnesota Plumbing Code, and all orders issued under section 326B.082.

Sec. 4. Minnesota Statutes 2016, section 326B.50, is amended by adding a subdivision to read:

Subd. 6. **Direct supervisor.** "Direct supervisor" means a master plumber, journeyman plumber, restricted master plumber, restricted journeyman plumber, water conditioning master, or water conditioning journeyman responsible for providing direct supervision of a registered unlicensed individual.

Sec. 5. Minnesota Statutes 2016, section 326B.55, subdivision 2, is amended to read:

Subd. 2. **Qualifications for licensing.** (a) A water conditioning master license shall be issued only to an individual who has demonstrated skill in planning, superintending, ~~and~~ servicing, ~~and installing~~ water conditioning installations, and has successfully passed the examination for water conditioning masters. A water conditioning journeyman license shall only be issued to an individual other than a water conditioning master who has

demonstrated practical knowledge of water conditioning installation, and has successfully passed the examination for water conditioning journeymen. A water conditioning journeyman must successfully pass the examination for water conditioning masters before being licensed as a water conditioning master.

(b) Each water conditioning contractor must designate a responsible licensed master plumber or a responsible licensed water conditioning master, who shall be responsible for the performance of all water conditioning installation and servicing in accordance with the requirements of sections 326B.50 to 326B.59, all rules adopted under sections 326B.50 to 326B.59, the Minnesota Plumbing Code, and all orders issued under section 326B.082. If the water conditioning contractor is an individual or sole proprietorship, the responsible licensed master must be the individual, proprietor, or managing employee. If the water conditioning contractor is a partnership, the responsible licensed master must be a general partner or managing employee. If the water conditioning contractor is a limited liability company, the responsible licensed master must be a chief manager or managing employee. If the water conditioning contractor is a corporation, the responsible licensed master must be an officer or managing employee. If the responsible licensed master is a managing employee, the responsible licensed master must be actively engaged in performing water conditioning work on behalf of the water conditioning contractor and cannot be employed in any capacity as a water conditioning master or water conditioning journeyman for any other water conditioning contractor. An individual must not be the responsible licensed master for more than one water conditioning contractor.

(c) All applications and renewals for water conditioning contractor licenses shall include a verified statement that the applicant or licensee has complied with paragraph (b).

(d) Each application and renewal for a water conditioning master license, water conditioning journeyman license, or a water conditioning contractor license shall be accompanied by all fees required by section 326B.092.

Sec. 6. Minnesota Statutes 2016, section 326B.55, subdivision 4, is amended to read:

Subd. 4. **Plumber's apprentices.** (a) A plumber's apprentice who is registered under section 326B.47 is authorized to assist in water conditioning installation and water conditioning servicing only while under the direct supervision of a master plumber, journeyman plumber, restricted master plumber, restricted journeyman plumber, water conditioning master, or water conditioning journeyman. The master or journeyman is responsible for ensuring that all water conditioning work performed by the plumber's apprentice complies with the plumbing code and rules adopted under sections 326B.50 to 326B.59. The supervising master or journeyman must be licensed and must be employed by the same employer as the plumber's apprentice. Licensed individuals shall not permit plumber's apprentices to perform water conditioning work except under the direct supervision of an individual actually licensed to perform such work. Plumber's apprentices shall not supervise the performance of plumbing work or make assignments of plumbing work to unlicensed individuals.

(b) Water conditioning contractors employing plumber's apprentices to perform water conditioning work shall maintain records establishing compliance with this subdivision that shall identify all plumber's apprentices performing water conditioning work, and shall permit the department to examine and copy all such records.

Sec. 7. **[326B.55] REGISTERED UNLICENSED INDIVIDUALS.**

Subdivision 1. **Registration; supervision; records.** (a) All unlicensed individuals engaged in water conditioning installation must be registered under subdivision 3.

(b) A registered unlicensed individual is authorized to assist in water conditioning installations in a single family residential unit only when a master plumber, journeyman plumber, restricted master plumber, restricted journeyman plumber, water conditioning master, or water conditioning journeyman is available and responsible for ensuring that all water conditioning installation work performed by the unlicensed individual complies with the applicable



provisions of the plumbing and water conditioning codes and rules adopted pursuant to such codes. For all other water conditioning installation work, the registered unlicensed individual must be under the direct supervision of a responsible licensed water conditioning master.

(c) Water conditioning contractors employing registered unlicensed individuals to perform water conditioning installation work shall maintain records establishing compliance with this subdivision that shall identify all unlicensed individuals performing water conditioning installations, and shall permit the department to examine and copy all such records.

Subd. 2. **Journeyman exam.** A registered unlicensed individual who has completed 875 hours of practical water conditioning installation, servicing, and training is eligible to take the water conditioning journeyman examination. Up to 100 hours of practical water conditioning installation and servicing experience prior to becoming a registered unlicensed individual may be applied to the practical experience requirement. However, none of this practical experience may be applied if the unlicensed individual did not have any practical experience in the 12-month period immediately prior to becoming a registered unlicensed individual.

Subd. 3. **Registration, renewals, and fees.** An unlicensed individual may register by completing and submitting to the commissioner an application form provided by the commissioner, with all fees required by section 326B.58. A completed application form must state the date, the individual's age, schooling, previous experience and employer, and other information required by the commissioner. The plumbing board may prescribe rules, not inconsistent with this section, for the registration of unlicensed individuals. Applications for initial registration may be submitted at any time. Registration must be renewed annually and shall be for the period from July 1 of each year to June 30 of the following year."

Delete the title and insert:

"A bill for an act relating to construction codes; modifying water conditioning installation requirements; amending Minnesota Statutes 2016, sections 326B.435, subdivision 2; 326B.50, subdivision 3, by adding subdivisions; 326B.55, subdivisions 2, 4; proposing coding for new law in Minnesota Statutes, chapter 326B."

With the recommendation that when so amended the bill be re-referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

The report was adopted.

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

H. F. No. 823, A bill for an act relating to human services; reforming the elderly waiver program; appropriating money; amending Minnesota Statutes 2016, sections 256B.056, subdivision 5; 256B.0911, subdivision 3a; 256B.0915, subdivisions 1, 3e, 5, by adding subdivisions; 256B.439, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2016, section 256B.056, subdivision 5, is amended to read:

Subd. 5. **Excess income.** (a) A person who has excess income is eligible for medical assistance if the person has expenses for medical care that are more than the amount of the person's excess income, computed by deducting incurred medical expenses from the excess income to reduce the excess to the income standard specified in

subdivision 5c. The person shall elect to have the medical expenses deducted at the beginning of a one-month budget period or at the beginning of a six-month budget period. The commissioner shall allow persons eligible for assistance on a one-month spenddown basis under this subdivision to elect to pay the monthly spenddown amount in advance of the month of eligibility to the state agency in order to maintain eligibility on a continuous basis. If the recipient does not pay the spenddown amount on or before the 20th of the month, the recipient is ineligible for this option for the following month. The local agency shall code the Medicaid Management Information System (MMIS) to indicate that the recipient has elected this option. The state agency shall convey recipient eligibility information relative to the collection of the spenddown to providers through the Electronic Verification System (EVS). A recipient electing advance payment must pay the state agency the monthly spenddown amount on or before the 20th of the month in order to be eligible for this option in the following month.

(b) A person who is eligible for medical assistance and receiving services under section 256B.0915 shall be eligible to pay the person's monthly spenddown or waiver obligation amount due to a provider of the person's choice. The state, or other payer acting on behalf of the state, shall deduct that amount from the provider's claims for each month.

Sec. 2. Minnesota Statutes 2016, section 256B.0911, subdivision 3a, is amended to read:

Subd. 3a. **Assessment and support planning.** (a) Persons requesting assessment, services planning, or other assistance intended to support community-based living, including persons who need assessment in order to determine waiver or alternative care program eligibility, must be visited by a long-term care consultation team within 20 calendar days after the date on which an assessment was requested or recommended. Upon statewide implementation of subdivisions 2b, 2c, and 5, this requirement also applies to an assessment of a person requesting personal care assistance services and home care nursing. The commissioner shall provide at least a 90-day notice to lead agencies prior to the effective date of this requirement. Face-to-face assessments must be conducted according to paragraphs (b) to (i).

(b) Upon implementation of subdivisions 2b, 2c, and 5, lead agencies shall use certified assessors to conduct the assessment. For a person with complex health care needs, a public health or registered nurse from the team must be consulted.

(c) The MnCHOICES assessment provided by the commissioner to lead agencies must be used to complete a comprehensive, person-centered assessment. The assessment must include the health, psychological, functional, environmental, and social needs of the individual necessary to develop a community support plan that meets the individual's needs and preferences.

(d) The assessment must be conducted in a face-to-face interview with the person being assessed and the person's legal representative. At the request of the person, other individuals may participate in the assessment to provide information on the needs, strengths, and preferences of the person necessary to develop a community support plan that ensures the person's health and safety. Except for legal representatives or family members invited by the person, persons participating in the assessment may not be a provider of service or have any financial interest in the provision of services. For persons who are to be assessed for elderly waiver customized living or adult day services under section 256B.0915, with the permission of the person being assessed or the person's designated or legal representative, the client's current or proposed provider of services may submit a copy of the provider's nursing assessment or written report outlining its recommendations regarding the client's care needs. The person conducting the assessment must notify the provider of the date by which this information is to be submitted. This information shall be provided to the person conducting the assessment prior to the assessment. For a person who is to be assessed for waiver services under section 256B.092 or 256B.49, with the permission of the person being assessed or the person's designated legal representative, the person's current provider of services may submit a written report outlining recommendations regarding the person's care needs prepared by a direct service employee with at least 20 hours of service to that client. The person conducting the assessment or reassessment must notify the provider of

the date by which this information is to be submitted. This information shall be provided to the person conducting the assessment and the person or the person's legal representative, and must be considered prior to the finalization of the assessment or reassessment.

(e) The person or the person's legal representative must be provided with a written community support plan within 40 calendar days of the assessment visit, regardless of whether the individual is eligible for Minnesota health care programs.

(f) For a person being assessed for elderly waiver services under section 256B.0915, a provider who submitted information under paragraph (d) shall receive a copy of the draft assessment and have an opportunity to submit additional information to the assessor before the assessment is final. The provider shall also receive a copy of the final written community support plan when available, the case mix level, and the Residential Services Workbook.

(g) The written community support plan must include:

- (1) a summary of assessed needs as defined in paragraphs (c) and (d);
- (2) the individual's options and choices to meet identified needs, including all available options for case management services and providers;
- (3) identification of health and safety risks and how those risks will be addressed, including personal risk management strategies;
- (4) referral information; and
- (5) informal caregiver supports, if applicable.

For a person determined eligible for state plan home care under subdivision 1a, paragraph (b), clause (1), the person or person's representative must also receive a copy of the home care service plan developed by the certified assessor.

~~(h)~~ (h) A person may request assistance in identifying community supports without participating in a complete assessment. Upon a request for assistance identifying community support, the person must be transferred or referred to long-term care options counseling services available under sections 256.975, subdivision 7, and 256.01, subdivision 24, for telephone assistance and follow up.

~~(g)~~ (i) The person has the right to make the final decision between institutional placement and community placement after the recommendations have been provided, except as provided in section 256.975, subdivision 7a, paragraph (d).

~~(h)~~ (j) The lead agency must give the person receiving assessment or support planning, or the person's legal representative, materials, and forms supplied by the commissioner containing the following information:

- (1) written recommendations for community-based services and consumer-directed options;
- (2) documentation that the most cost-effective alternatives available were offered to the individual. For purposes of this clause, "cost-effective" means community services and living arrangements that cost the same as or less than institutional care. For an individual found to meet eligibility criteria for home and community-based service programs under section 256B.0915 or 256B.49, "cost-effectiveness" has the meaning found in the federally approved waiver plan for each program;

(3) the need for and purpose of preadmission screening conducted by long-term care options counselors according to section 256.975, subdivisions 7a to 7c, if the person selects nursing facility placement. If the individual selects nursing facility placement, the lead agency shall forward information needed to complete the level of care determinations and screening for developmental disability and mental illness collected during the assessment to the long-term care options counselor using forms provided by the commissioner;

(4) the role of long-term care consultation assessment and support planning in eligibility determination for waiver and alternative care programs, and state plan home care, case management, and other services as defined in subdivision 1a, paragraphs (a), clause (6), and (b);

(5) information about Minnesota health care programs;

(6) the person's freedom to accept or reject the recommendations of the team;

(7) the person's right to confidentiality under the Minnesota Government Data Practices Act, chapter 13;

(8) the certified assessor's decision regarding the person's need for institutional level of care as determined under criteria established in subdivision 4e and the certified assessor's decision regarding eligibility for all services and programs as defined in subdivision 1a, paragraphs (a), clause (6), and (b); and

(9) the person's right to appeal the certified assessor's decision regarding eligibility for all services and programs as defined in subdivision 1a, paragraphs (a), clauses (6), (7), and (8), and (b), and incorporating the decision regarding the need for institutional level of care or the lead agency's final decisions regarding public programs eligibility according to section 256.045, subdivision 3.

⊕ (k) Face-to-face assessment completed as part of eligibility determination for the alternative care, elderly waiver, community access for disability inclusion, community alternative care, and brain injury waiver programs under sections 256B.0913, 256B.0915, and 256B.49 is valid to establish service eligibility for no more than ~~60~~ 90 calendar days after the date of assessment.

⊕ (l) The effective eligibility start date for programs in paragraph (i) can never be prior to the date of assessment. If an assessment was completed more than ~~60~~ 90 days before the effective waiver or alternative care program eligibility start date, assessment and support plan information must be updated and documented in the department's Medicaid Management Information System (MMIS). Notwithstanding retroactive medical assistance coverage of state plan services, the effective date of eligibility for programs included in paragraph ⊕ (k) cannot be prior to the date the most recent updated assessment is completed.

Sec. 3. Minnesota Statutes 2016, section 256B.0915, subdivision 3a, is amended to read:

Subd. 3a. **Elderly waiver cost limits.** (a) Effective on ~~the first day of the state fiscal year in which the resident assessment system as described in section 256B.438 for nursing home rate determination is implemented and the first day of each subsequent state fiscal year,~~ the monthly limit for the cost of waived services to an individual elderly waiver client shall be the monthly limit of the case mix resident class to which the waiver client would be assigned under Minnesota Rules, parts 9549.0051 to 9549.0059, in effect on the last day of the previous state fiscal year, adjusted by any legislatively adopted home and community-based services percentage rate adjustment. If a legislatively authorized increase is service specific, the monthly cost limit shall be adjusted based on the overall average increase to the affected program.

(b) The monthly limit for the cost of waived services under paragraph (a) to an individual elderly waiver client assigned to a case mix classification A with:

(1) no dependencies in activities of daily living; or

(2) up to two dependencies in bathing, dressing, grooming, walking, and eating when the dependency score in eating is three or greater as determined by an assessment performed under section 256B.0911 shall be \$1,750 per month effective on July 1, 2011, for all new participants enrolled in the program on or after July 1, 2011. This monthly limit shall be applied to all other participants who meet this criteria at reassessment. This monthly limit shall be increased annually as described in paragraphs (a) and (e).

(c) If extended medical supplies and equipment or environmental modifications are or will be purchased for an elderly waiver client, the costs may be prorated for up to 12 consecutive months beginning with the month of purchase. If the monthly cost of a recipient's waived services exceeds the monthly limit established in paragraph (a), (b), (d), or (e), the annual cost of all waived services shall be determined. In this event, the annual cost of all waived services shall not exceed 12 times the monthly limit of waived services as described in paragraph (a), (b), (d), or (e).

(d) ~~Effective July 1, 2013,~~ The monthly cost limit of waiver services, including any necessary home care services described in section 256B.0651, subdivision 2, for individuals who meet the criteria as ventilator-dependent given in section 256B.0651, subdivision 1, paragraph (g), shall be the average of the monthly medical assistance amount established for home care services as described in section 256B.0652, subdivision 7, and the annual average contracted amount established by the commissioner for nursing facility services for ventilator-dependent individuals. This monthly limit shall be increased annually as described in paragraphs (a) and (e).

(e) ~~Effective July 1, 2016~~ January 1, 2018, and each ~~July~~ January 1 thereafter, the monthly cost limits for elderly waiver services in effect on the previous ~~June 30~~ December 31 shall be increased by the difference between any legislatively adopted home and community-based provider rate increases effective on ~~July~~ January 1 or since the previous ~~July~~ January 1 and the average statewide percentage increase in nursing facility operating payment rates under ~~sections 256B.431, 256B.434, and 256B.441~~ chapter 256R, effective the previous January 1. This paragraph shall only apply if the average statewide percentage increase in nursing facility operating payment rates is greater than any legislatively adopted home and community-based provider rate increases effective on ~~July~~ January 1, or occurring since the previous ~~July~~ January 1.

Sec. 4. Minnesota Statutes 2016, section 256B.0915, subdivision 3e, is amended to read:

Subd. 3e. **Customized living service rate.** (a) Payment for customized living services shall be a monthly rate authorized by the lead agency within the parameters established by the commissioner. The payment agreement must delineate the amount of each component service included in the recipient's customized living service plan. The lead agency, with input from the provider of customized living services, shall ensure that there is a documented need within the parameters established by the commissioner for all component customized living services authorized.

(b) The payment rate must be based on the amount of component services to be provided utilizing component rates established by the commissioner. Counties and tribes shall use tools issued by the commissioner to develop and document customized living service plans and rates.

(c) Component service rates must not exceed payment rates for comparable elderly waiver or medical assistance services and must reflect economies of scale. Customized living services must not include rent or raw food costs.

(d) The commissioner shall include a nursing component service that includes, but is not limited to injections, catheterizations, wound care, infections, and diabetic and foot care. The hourly unit service payment shall be based on the registered nurses component rate.

~~(d)~~ (e) With the exception of individuals described in subdivision 3a, paragraph (b), the individualized monthly authorized payment for the customized living service plan shall not exceed 50 percent of the greater of either the statewide or any of the geographic groups' weighted average monthly nursing facility rate of the case mix resident class to which the elderly waiver eligible client would be assigned under Minnesota Rules, parts 9549.0051 to 9549.0059, less the maintenance needs allowance as described in subdivision 1d, paragraph (a). Effective On July 1 of the state fiscal each year in which the resident assessment system as described in section 256B.438 for nursing home rate determination is implemented and July 1 of each subsequent state fiscal year, the individualized monthly authorized payment for the services described in this clause shall not exceed the limit which was in effect on June 30 of the previous state fiscal year updated annually based on legislatively adopted changes to all service rate maximums for home and community-based service providers.

(f) The monthly customized living service rate for a client may be increased temporarily in lieu of the client being admitted to a hospital. The temporary increase shall cover additional nursing and home care services needed to avoid hospitalization. A provider shall communicate client need to the case manager in a form and manner prescribed by the commissioner.

(g) Based on responses to questions 45 and 51 of the Minnesota long-term care consultation assessment form, the elderly waiver payment for customized living services includes a cognitive and behavioral needs factor for a client determined to have either:

(1) wandering or orientation issues; or

(2) anxiety, verbal aggression, physical aggression, repetitive behavior, agitation, self-injurious behavior, or behavior related to property destruction.

An additional 15 percent is applied to the component service rates if the total monthly hours of customized living services divided by 30.4 is less than 3.62. A client assessed as both "oriented" and "behavior requires no intervention" or "no behaviors" shall not receive a cognitive and behavioral needs factor.

~~(e) Effective July 1, 2011,~~ (h) The individualized monthly payment for the customized living service plan for individuals described in subdivision 3a, paragraph (b), must be the monthly authorized payment limit for customized living for individuals classified as case mix A, reduced by 25 percent. This rate limit must be applied to all new participants enrolled in the program on or after July 1, 2011, who meet the criteria described in subdivision 3a, paragraph (b). This monthly limit also applies to all other participants who meet the criteria described in subdivision 3a, paragraph (b), at reassessment.

(i) The payment rate for a client qualifying for customized living services equals 120 percent of the statewide average 24-hour residential services rate for the first 62 days and equals the rate established by the responsible case manager for the 63rd and subsequent days.

~~(f)~~ (j) Customized living services are delivered by a provider licensed by the Department of Health as a class A or class F home care provider and provided in a building that is registered as a housing with services establishment under chapter 144D. Licensed home care providers are subject to section 256B.0651, subdivision 14.

~~(g)~~ **(k)** A provider may not bill or otherwise charge an elderly waiver participant or their family for additional units of any allowable component service beyond those available under the service rate limits described in paragraph ~~(d)~~ **(e)**, nor for additional units of any allowable component service beyond those approved in the service plan by the lead agency.

~~(h)~~ **(l)** Effective ~~July 1, 2016~~ January 1, 2018, and each ~~July~~ January 1 thereafter, individualized service rate limits for customized living services under this subdivision shall be increased by the difference between any legislatively adopted home and community-based provider rate increases effective on ~~July~~ January 1 or since the previous ~~July~~ January 1 and the average statewide percentage increase in nursing facility operating payment rates under sections 256B.431, and 256B.434, and ~~256B.441~~ chapter 256R, effective the previous January 1. This paragraph shall only apply if the average statewide percentage increase in nursing facility operating payment rates is greater than any legislatively adopted home and community-based provider rate increases effective on ~~July~~ January 1, or occurring since the previous ~~July~~ January 1.

Sec. 5. Minnesota Statutes 2016, section 256B.0915, subdivision 3h, is amended to read:

Subd. 3h. **Service rate limits; 24-hour customized living services.** (a) The payment rate for 24-hour customized living services is a monthly rate authorized by the lead agency within the parameters established by the commissioner of human services. The payment agreement must delineate the amount of each component service included in each recipient's customized living service plan. The lead agency, with input from the provider of customized living services, shall ensure that there is a documented need within the parameters established by the commissioner for all component customized living services authorized. The lead agency shall not authorize 24-hour customized living services unless there is a documented need for 24-hour supervision.

(b) For purposes of this section, "24-hour supervision" means that the recipient requires assistance due to needs related to one or more of the following:

- (1) intermittent assistance with toileting, positioning, or transferring;
- (2) cognitive or behavioral issues;
- (3) a medical condition that requires clinical monitoring; or

(4) for all new participants enrolled in the program on or after July 1, 2011, and all other participants at their first reassessment after July 1, 2011, dependency in at least three of the following activities of daily living as determined by assessment under section 256B.0911: bathing; dressing; grooming; walking; or eating when the dependency score in eating is three or greater; and needs medication management and at least 50 hours of service per month. The lead agency shall ensure that the frequency and mode of supervision of the recipient and the qualifications of staff providing supervision are described and meet the needs of the recipient.

(c) The payment rate for 24-hour customized living services must be based on the amount of component services to be provided utilizing component rates established by the commissioner. Counties and tribes will use tools issued by the commissioner to develop and document customized living plans and authorize rates.

(d) Component service rates must not exceed payment rates for comparable elderly waiver or medical assistance services and must reflect economies of scale.

(e) The individually authorized 24-hour customized living payments, in combination with the payment for other elderly waiver services, including case management, must not exceed the recipient's community budget cap specified in subdivision 3a. Customized living services must not include rent or raw food costs.

(f) The individually authorized 24-hour customized living payment rates shall not exceed the 95 percentile of statewide monthly authorizations for 24-hour customized living services in effect and in the Medicaid management information systems on March 31, 2009, for each case mix resident class under Minnesota Rules, parts 9549.0051 to 9549.0059, to which elderly waiver service clients are assigned. When there are fewer than 50 authorizations in effect in the case mix resident class, the commissioner shall multiply the calculated service payment rate maximum for the A classification by the standard weight for that classification under Minnesota Rules, parts 9549.0051 to 9549.0059, to determine the applicable payment rate maximum. Service payment rate maximums shall be updated annually based on legislatively adopted changes to all service rates for home and community-based service providers.

(g) Notwithstanding the requirements of paragraphs (d) and (f), the commissioner may establish alternative payment rate systems for 24-hour customized living services in housing with services establishments which are freestanding buildings with a capacity of 16 or fewer, by applying a single hourly rate for covered component services provided in either:

(1) licensed corporate adult foster homes; or

(2) specialized dementia care units which meet the requirements of section 144D.065 and in which:

(i) each resident is offered the option of having their own apartment; or

(ii) the units are licensed as board and lodge establishments with maximum capacity of eight residents, and which meet the requirements of Minnesota Rules, part 9555.6205, subparts 1, 2, 3, and 4, item A.

(h) Twenty-four-hour customized living services are delivered by a provider licensed by the Department of Health as a class A or class F home care provider and provided in a building that is registered as a housing with services establishment under chapter 144D. Licensed home care providers are subject to section 256B.0651, subdivision 14.

(i) A provider may not bill or otherwise charge an elderly waiver participant or their family for additional units of any allowable component service beyond those available under the service rate limits described in paragraph (e), nor for additional units of any allowable component service beyond those approved in the service plan by the lead agency.

(j) Effective ~~July 1, 2016~~ January 1, 2018, and each ~~July~~ January 1 thereafter, individualized service rate limits for 24-hour customized living services under this subdivision shall be increased by the difference between any legislatively adopted home and community-based provider rate increases effective on ~~July~~ January 1 or since the previous ~~July~~ January 1 and the average statewide percentage increase in nursing facility operating payment rates under ~~sections 256B.431, 256B.434, and 256B.441~~ chapter 256R, effective the previous January 1. This paragraph shall only apply if the average statewide percentage increase in nursing facility operating payment rates is greater than any legislatively adopted home and community-based provider rate increases effective on ~~July~~ January 1, or occurring since the previous ~~July~~ January 1.

Sec. 6. Minnesota Statutes 2016, section 256B.0915, subdivision 5, is amended to read:

Subd. 5. **Assessments and reassessments for waiver clients.** (a) Each client shall receive an initial assessment of strengths, informal supports, and need for services in accordance with section 256B.0911, subdivisions 3, 3a, and 3b. A reassessment of a client served under the elderly waiver must be conducted at least every 12 months ~~and at other times when the case manager determines that there has been significant change in the client's functioning. This may include instances where the client is discharged from the hospital.~~ There must be a determination that the client requires nursing facility level of care as defined in section 256B.0911, subdivision 4e, at initial and subsequent assessments to initiate and maintain participation in the waiver program.



(b) Regardless of other assessments identified in section 144.0724, subdivision 4, as appropriate to determine nursing facility level of care for purposes of medical assistance payment for nursing facility services, only face-to-face assessments conducted according to section 256B.0911, subdivisions 3a and 3b, that result in a nursing facility level of care determination will be accepted for purposes of initial and ongoing access to waiver service payment.

(c) The lead agency shall conduct a change-in-condition reassessment before the annual reassessment in cases where a client's condition changed due to a major health event, an emerging need or risk, worsening health condition, or cases where the current services do not meet the client's needs. A change-in-condition reassessment may be initiated by the lead agency, or it may be requested by the client or requested on the client's behalf by another party, such as a provider of services. The lead agency shall complete a change-in-condition reassessment no later than 20 calendar days from the request. The lead agency shall conduct these assessments in a timely manner and expedite urgent requests. The lead agency shall evaluate urgent requests based on the client's needs and risk to the client if a reassessment is not completed.

Sec. 7. Minnesota Statutes 2016, section 256B.0915, is amended by adding a subdivision to read:

Subd. 11. **Payment rates; application.** The payment methodologies in subdivisions 12 to 15 apply to elderly waiver and elderly waiver customized living under this section, alternative care under section 256B.0913, essential community supports under section 256B.0922, community access for disability inclusion customized living, brain injury customized living, and elderly waiver foster care and residential care.

Sec. 8. Minnesota Statutes 2016, section 256B.0915, is amended by adding a subdivision to read:

Subd. 12. **Payment rates; establishment.** (a) The commissioner shall use standard occupational classification (SOC) codes from the Bureau of Labor Statistics as defined in the most recent edition of the Occupational Handbook and data from the most recent and available nursing facility cost report to establish rates and component rates every January 1 using Minnesota-specific wages taken from job descriptions.

(b) In creating the rates and component rates, the commissioner shall establish a base wage calculation for each component service and value and add the following factors:

(1) payroll taxes and benefits;

(2) general and administrative;

(3) program plan support;

(4) registered nurse management and supervision; and

(5) social worker supervision.

Sec. 9. Minnesota Statutes 2016, section 256B.0915, is amended by adding a subdivision to read:

Subd. 13. **Payment rates; base wage index.** (a) Base wages are calculated for customized living, foster care, and residential care component services as follows:

(1) the home management and support services base wage equals 33.33 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for personal and home care aide (SOC code 39-9021); 33.33 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for food preparation workers (SOC code 35-2021); and 33.34 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for maids and housekeeping cleaners (SOC code 37-2012);

(2) the home care aide base wage equals 50 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for home health aides (SOC code 31-1011); and 50 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants (SOC code 31-1014);

(3) the home health aide base wage equals 20 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for licensed practical and licensed vocational nurses (SOC code 29-2061); and 80 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants (SOC code 31-1014); and

(4) the medication setups by licensed practical nurse base wage equals ten percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for licensed practical and licensed vocational nurses (SOC code 29-2061); and 90 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for registered nurses (SOC code 29-1141).

(b) Base wages are calculated for the following services as follows:

(1) the chore services base wage equals 100 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for landscaping and groundskeeping workers (SOC code 37-3011);

(2) the companion services base wage equals 50 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for personal and home care aides (SOC code 39-9021); and 50 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for maids and housekeeping cleaners (SOC code 37-2012);

(3) the homemaker services and assistance with personal care base wage equals 60 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for personal and home care aide (SOC code 39-9021); 20 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants (SOC code 31-1014); and 20 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for maids and housekeeping cleaners (SOC code 37-2012);

(4) the homemaker services and cleaning base wage equals 60 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for personal and home care aide (SOC code 39-9021); 20 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants (SOC code 31-1014); and 20 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for maids and housekeeping cleaners (SOC code 37-2012);

(5) the homemaker services and home management base wage equals 60 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for personal and home care aide (SOC code 39-9021); 20 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants (SOC code 31-1014); and 20 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for maids and housekeeping cleaners (SOC code 37-2012);

(6) the in-home respite care services base wage equals five percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for registered nurses (SOC code 29-1141); 75 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants (SOC code 31-1014); and 20 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for licensed practical and licensed vocational nurses (SOC code 29-2061); and

(7) the out-of-home respite care services base wage equals five percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for registered nurses (SOC code 29-1141); 75 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants (SOC code 31-1014); and 20 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for licensed practical and licensed vocational nurses (SOC code 29-2061).

(c) Base wages are calculated for the following values as follows:

(1) the registered nurse base wage equals 100 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for registered nurses (SOC code 29-1141); and

(2) the social worker base wage equals 100 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for medical and public health social workers (SOC code 21-1022).

(d) If any of the SOC codes and positions are no longer available, the commissioner shall, in consultation with stakeholders, select a new SOC code and position that is the closest match to the previously used SOC position.

Sec. 10. Minnesota Statutes 2016, section 256B.0915, is amended by adding a subdivision to read:

**Subd. 14. Payment rates; factors.** The commissioner shall use the following factors:

(1) the payroll taxes and benefits factor is the sum of net payroll taxes and benefits divided by the sum of all salaries for all nursing facilities on the most recent and available cost report;

(2) the general and administrative factor is the sum of net general and administrative expenses minus administrative salaries divided by total operating expenses for all nursing facilities on the most recent and available cost report;

(3) the program plan support factor is defined as the direct service staff needed to provide support for the home and community-based service when not engaged in direct contact with clients. Based on the 2016 Non-Wage Provider Costs in Home and Community-Based Disability Waiver Services Report, this factor equals 12.8 percent;

(4) the registered nurse management and supervision factor equals 15 percent of the registered nurse value; and

(5) the social worker supervision factor equals 15 percent of the social worker value.

Sec. 11. Minnesota Statutes 2016, section 256B.0915, is amended by adding a subdivision to read:

**Subd. 15. Payment rates; component rates.** (a) For the purposes of this subdivision, the "adjusted base wage" for a position equals the position's base wage plus:

(1) the position's base wage multiplied by the payroll taxes and benefits factor;

(2) the position's base wage multiplied by the general and administrative factor; and

(3) the position's base wage multiplied by the program plan support factor.

(b) For medication setups by licensed nurse, registered nurse, and social worker services, the component rate for each service equals the respective position's adjusted base wage.

(c) For home management and support services, home care aide, and home health aide services, the component rate for each service equals the respective position's adjusted base wage plus the registered nurse management and supervision factor.

(d) The home management and support services component rate shall be used for payment for socialization and transportation component rates under elderly waiver customized living.

(e) The 15-minute unit rates for chore services and companion services are calculated as follows:

(1) sum the adjusted base wage for the respective position and the social worker factor; and

(2) divide the result of clause (1) by four.

(f) The 15-minute unit rates for homemaker services and assistance with personal cares, homemaker services and cleaning, and homemaker services and home management are calculated as follows:

(1) sum the adjusted base wage for the respective position and the registered nurse management and supervision factor; and

(2) divide the result of clause (1) by four.

(g) The 15-minute unit rate for in-home respite care services is calculated as follows:

(1) sum the adjusted base wage for in-home respite care services and the registered nurse management and supervision factor; and

(2) divide the result of clause (1) by four.

(h) The in-home respite care services daily rate equals the in-home respite care services 15-minute unit rate multiplied by 18.

(i) The 15-minute unit rate for out-of-home respite care is calculated as follows:

(1) sum the out-of-home respite care services adjusted base wage and the registered nurse management and supervision factor; and

(2) divide the result of clause (1) by four.

(j) The out-of-home respite care services daily rate equals the out-of-home respite care services 15-minute unit rate multiplied by 18.

(k) The individual community living support rate is calculated as follows:

(1) sum the adjusted base wage for the home care aide rate in subdivision 13, paragraph (a), clause (2), and the social worker factor; and

(2) divide the result of clause (1) by four.

(l) The home delivered meals rate equals \$9.30. Beginning July 1, 2018, the commissioner shall increase the home delivered meals rate every July 1 by the percent increase in the nursing facility dietary per diem using the two most recent nursing facility cost reports.

(m) The adult day services rate is based on the home care aide rate under subdivision 13, paragraph (a), clause (2), plus the additional factors in subdivision 14, except that the general and administrative factor used shall be 20 percent. The nonregistered nurse portion of the rate shall be multiplied by 0.25, to reflect a staffing ratio of one caregiver to four clients, and divided by four to determine the 15-minute unit rate. The registered nurse portion is divided by four to determine the 15-minute unit rate and \$0.63 per 15-minute unit is added to cover the cost of meals.

(n) The adult day services bath 15-minute unit rate is the same as the calculation of the adult day services 15-minute unit rate without the adjustment for staffing ratio.

(o) If a bath is authorized for an adult day services client, at least two 15-minute units must be authorized to allow for adequate time to meet client needs. Adult day services may be authorized for up to 48 units, or 12 hours, per day based on client and family caregiver needs.

Sec. 12. Minnesota Statutes 2016, section 256B.439, is amended by adding a subdivision to read:

Subd. 2b. **Performance measures for elderly waiver customized living.** The commissioner shall develop performance measures for housing with services establishments that are enrolled in the elderly waiver program as a provider of customized living or 24-hour customized living. According to methods determined by the commissioner in consultation with stakeholders and experts, the commissioner shall develop the following performance measures:

(1) an annual customer satisfaction survey measure for assisted living residents and family members using a validated survey tool and set of questions chosen by the commissioner in consultation with stakeholders;

(2) a measure utilizing level 3 or 4 citations from Department of Health home care survey findings and substantiated Office of Health Facility Complaints findings against a home care agency;

(3) a home care staff retention measure; and

(4) a measure that scores a provider's staff according to their level of training and education.

Sec. 13. **DIRECTION TO COMMISSIONER; ADULT DAY SERVICES STAFFING RATIOS.**

The commissioner of human services shall study the staffing ratio for adult day services clients and shall provide the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over adult day services with recommendations to adjust staffing ratios based on client needs by January 1, 2018.

Sec. 14. **DIRECTION TO COMMISSIONER; EVALUATION OF RATE METHODOLOGY.**

(a) The commissioner of human services, in consultation with stakeholders, shall conduct a study to evaluate the following:

(1) base wages in Minnesota Statutes, section 256B.0915, subdivision 13, to determine if the standard occupational classification codes for each rate and component rate are an appropriate representation of staff who deliver such services; and

(2) factors in Minnesota Statutes, section 256B.0915, subdivision 14, and adjusted base wage calculations in Minnesota Statutes, section 256B.0915, subdivision 15, to determine if the factors and calculations appropriately address nonwage provider costs.

(b) By January 1, 2019, the commissioner shall submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over human services policy and finance on the changes to the rate methodology in Minnesota Statutes, section 256B.0915, based on the results of the evaluation. Where feasible, the report shall address the impact of the new rates on the workforce situation and client access to services. The report must include any changes to the rate calculations that the commissioner recommends.

Sec. 15. **APPROPRIATION; PERFORMANCE MEASURES FOR ELDERLY WAIVER CUSTOMIZED LIVING.**

\$5,000,000 in fiscal year 2018 is appropriated from the general fund to the commissioner of human services for purposes of developing performance measures for elderly waiver customized living under Minnesota Statutes, section 256B.439, subdivision 2b. This is a onetime appropriation.

Sec. 16. **REVISOR'S INSTRUCTION.**

The revisor of statutes, in consultation with the House Research Department, Office of Senate Counsel, Research, and Fiscal Analysis, and Department of Human Services shall prepare legislation for the 2018 legislative session to recodify laws governing the elderly waiver program in Minnesota Statutes, chapter 256B.

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

Delete the title and insert:

"A bill for an act relating to human services; reforming the elderly waiver program; requiring a report; appropriating money; amending Minnesota Statutes 2016, sections 256B.056, subdivision 5; 256B.0911, subdivision 3a; 256B.0915, subdivisions 3a, 3e, 3h, 5, by adding subdivisions; 256B.439, by adding a subdivision."

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

The report was adopted.

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

H. F. No. 827, A bill for an act relating to civil commitment; specifying limitation on notice of release or discharge; amending Minnesota Statutes 2016, section 253B.05, subdivision 3.

Reported the same back with the recommendation that the bill be placed on the General Register.

The report was adopted.

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

H. F. No. 941, A bill for an act relating to human services; modifying provisions governing caregiver support programs and services; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256.

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

The report was adopted.

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

H. F. No. 942, A bill for an act relating to human services; modifying essential community supports; amending Minnesota Statutes 2016, section 256B.0922, subdivision 1.

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

The report was adopted.

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

H. F. No. 945, A bill for an act relating to human services; correcting obsolete cross-references related to the nursing facility payment system; amending Minnesota Statutes 2016, sections 256B.0915, subdivision 3e; 256B.431, subdivision 30.

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

The report was adopted.

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

H. F. No. 952, A bill for an act relating to health; establishing hearing loss training requirements for housing with services establishments; proposing coding for new law in Minnesota Statutes, chapter 144D.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2016, section 144A.4796, subdivision 2, is amended to read:

Subd. 2. **Content.** (a) The orientation must contain the following topics:

- (1) an overview of sections 144A.43 to 144A.4798;
- (2) introduction and review of all the provider's policies and procedures related to the provision of home care services;
- (3) handling of emergencies and use of emergency services;
- (4) compliance with and reporting of the maltreatment of minors or vulnerable adults under sections 626.556 and 626.557;
- (5) home care bill of rights under section 144A.44;
- (6) handling of clients' complaints, reporting of complaints, and where to report complaints including information on the Office of Health Facility Complaints and the Common Entry Point;

(7) consumer advocacy services of the Office of Ombudsman for Long-Term Care, Office of Ombudsman for Mental Health and Developmental Disabilities, Managed Care Ombudsman at the Department of Human Services, county managed care advocates, or other relevant advocacy services; and

(8) review of the types of home care services the employee will be providing and the provider's scope of licensure.

(b) In addition to the topics listed in paragraph (a), orientation may also contain training on providing services to clients with hearing loss. Any training on hearing loss provided under this subdivision must be high quality and research-based, may include online training, and must include training on one or more of the following topics:

(1) an explanation of age-related hearing loss and how it manifests itself, its prevalence, and challenges it poses to communication;

(2) health impacts related to untreated age-related hearing loss, such as increased incidence of dementia, falls, hospitalizations, isolation, and depression; or

(3) information about strategies and technology that may enhance communication and involvement, including communication strategies, assistive listening devices, hearing aids, visual and tactile alerting devices, communication access in real time, and closed captions.

**EFFECTIVE DATE.** This section is effective January 1, 2018.

Sec. 2. Minnesota Statutes 2016, section 144A.4796, subdivision 6, is amended to read:

Subd. 6. **Required annual training.** (a) All staff that perform direct home care services must complete at least eight hours of annual training for each 12 months of employment. The training may be obtained from the home care provider or another source and must include topics relevant to the provision of home care services. The annual training must include:

(1) training on reporting of maltreatment of minors under section 626.556 and maltreatment of vulnerable adults under section 626.557, whichever is applicable to the services provided;

(2) review of the home care bill of rights in section 144A.44;

(3) review of infection control techniques used in the home and implementation of infection control standards including a review of hand-washing techniques; the need for and use of protective gloves, gowns, and masks; appropriate disposal of contaminated materials and equipment, such as dressings, needles, syringes, and razor blades; disinfecting reusable equipment; disinfecting environmental surfaces; and reporting of communicable diseases; and

(4) review of the provider's policies and procedures relating to the provision of home care services and how to implement those policies and procedures.

(b) In addition to the topics listed in paragraph (a), annual training may also contain training on providing services to clients with hearing loss. Any training on hearing loss provided under this subdivision must be high quality and research-based, may include online training, and must include training on one or more of the following topics:

(1) an explanation of age-related hearing loss and how it manifests itself, its prevalence, and challenges it poses to communication;



(2) health impacts related to untreated age-related hearing loss, such as increased incidence of dementia, falls, hospitalizations, isolation, and depression; or

(3) information about strategies and technology that may enhance communication and involvement, including communication strategies, assistive listening devices, hearing aids, visual and tactile alerting devices, communication access in real time, and closed captions.

**EFFECTIVE DATE.** This section is effective January 1, 2018."

Delete the title and insert:

"A bill for an act relating to health; providing for training in hearing loss care to home care provider staff and supervisors; amending Minnesota Statutes 2016, section 144A.4796, subdivisions 2, 6."

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

The report was adopted.

Anderson, P., from the Committee on Agriculture Policy to which was referred:

H. F. No. 1006, A bill for an act relating to partition fences; providing that a landowner or occupant who does not need a partition fence cannot be required to share in construction or maintenance costs; repealing a statute that applies this standard only in St. Louis County; amending Minnesota Statutes 2016, section 344.03, subdivision 1, by adding a subdivision; repealing Minnesota Statutes 2016, section 383C.809.

Reported the same back with the recommendation that the bill be placed on the General Register.

The report was adopted.

Anderson, P., from the Committee on Agriculture Policy to which was referred:

H. F. No. 1032, A bill for an act relating to employment; exempting temporary or seasonal agricultural workers from overtime requirements; amending Minnesota Statutes 2016, section 177.23, subdivision 7.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

The report was adopted.

Runbeck from the Committee on Transportation and Regional Governance Policy to which was referred:

H. F. No. 1126, A bill for an act relating to transportation; governing driver's licenses; modifying requirements for the restricted farm work license; amending Minnesota Statutes 2016, section 171.041.

Reported the same back with the recommendation that the bill be placed on the General Register.

The report was adopted.

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

H. F. No. 1139, A bill for an act relating to human services; providing for assisted outpatient mental health treatment with mandatory weekly patient reporting to treatment provider; amending Minnesota Statutes 2016, sections 253B.066, subdivision 1; 253B.09, subdivision 1; 253B.097, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2016, section 144.293, subdivision 5, is amended to read:

Subd. 5. **Exceptions to consent requirement.** (a) This section does not prohibit the release of health records:

(1) for a medical emergency when the provider is unable to obtain the patient's consent due to the patient's condition or the nature of the medical emergency;

(2) to other providers within related health care entities when necessary for the current treatment of the patient; ~~or~~

(3) to a health care facility licensed by this chapter, chapter 144A, or to the same types of health care facilities licensed by this chapter and chapter 144A that are licensed in another state when a patient:

(i) is returning to the health care facility and unable to provide consent; or

(ii) who resides in the health care facility, has services provided by an outside resource under Code of Federal Regulations, title 42, section 483.75(h), and is unable to provide consent; or

(4) to a committing court or law enforcement agency for purposes of providing notice of the failure of a patient to appear for an assisted outpatient treatment appointment or failure to substantially comply with a court-approved treatment plan under section 253B.09, subdivision 6.

(b) A provider may release a deceased patient's health care records to another provider for the purposes of diagnosing or treating the deceased patient's surviving adult child.

Sec. 2. Minnesota Statutes 2016, section 253B.05, subdivision 2, is amended to read:

Subd. 2. **Peace or health officer authority.** (a) A peace or health officer may take a person into custody and transport the person to a licensed physician or treatment facility if the officer has reason to believe, either through direct observation of the person's behavior, or upon reliable information of the person's recent behavior and knowledge of the person's past behavior or psychiatric treatment, that the person is mentally ill or developmentally disabled and in danger of injuring self or others if not immediately detained. A peace or health officer or a person working under such officer's supervision, may take a person who is believed to be chemically dependent or is intoxicated in public into custody and transport the person to a treatment facility. If the person is intoxicated in public or is believed to be chemically dependent and is not in danger of causing self-harm or harm to any person or property, the peace or health officer may transport the person home. The peace or health officer shall make written application for admission of the person to the treatment facility. The application shall contain the peace or health officer's statement specifying the reasons for and circumstances under which the person was taken into custody. If danger to specific individuals is a basis for the emergency hold, the statement must include identifying information on those individuals, to the extent practicable. A copy of the statement shall be made available to the person taken into custody. The peace or health officer who makes the application shall provide the officer's name, the agency that employs the officer, and the telephone number or other contact information for purposes of receiving notice under subdivision 3, paragraph (d).

(b) As far as is practicable, a peace officer who provides transportation for a person placed in a facility under this subdivision may not be in uniform and may not use a vehicle visibly marked as a law enforcement vehicle.

(c) A person may be admitted to a treatment facility for emergency care and treatment under this subdivision with the consent of the head of the facility under the following circumstances: (1) a written statement shall only be made by the following individuals who are knowledgeable, trained, and practicing in the diagnosis and treatment of mental illness or developmental disability; the medical officer, or the officer's designee on duty at the facility, including a licensed physician, a licensed physician assistant, or an advanced practice registered nurse who after preliminary examination has determined that the person has symptoms of mental illness or developmental disability and appears to be in danger of harming self or others if not immediately detained; or (2) a written statement is made by the institution program director or the director's designee on duty at the facility after preliminary examination that the person has symptoms of chemical dependency and appears to be in danger of harming self or others if not immediately detained or is intoxicated in public.

(d) A peace officer shall take a person into custody and transport the person to a treatment facility if the law enforcement agency that employs the officer has received notice of the failure of a patient to appear for an assisted outpatient treatment appointment or failure to substantially comply with a court-approved treatment plan under section 253B.09, subdivision 6. The person must be admitted to a treatment facility in order to ensure that the person takes prescribed medications and to stabilize the person, if necessary.

Sec. 3. Minnesota Statutes 2016, section 253B.065, subdivision 5, is amended to read:

Subd. 5. **Early intervention criteria.** (a) A court shall order early intervention treatment of a proposed patient who meets the criteria under paragraph (b) or (c). The early intervention treatment must be less intrusive than long-term inpatient commitment and must be the least restrictive treatment program available that can meet the patient's treatment needs.

(b) The court shall order early intervention treatment if the court finds all of the elements of the following factors by clear and convincing evidence:

(1) the proposed patient is mentally ill;

(2) the proposed patient refuses to accept appropriate mental health treatment or has previously received court-ordered treatment and would benefit from a continuum of care; and

(3) the proposed patient's mental illness is manifested by instances of grossly disturbed behavior or faulty perceptions and either:

(i) the grossly disturbed behavior or faulty perceptions significantly interfere with the proposed patient's ability to care for self and the proposed patient, when competent, would have chosen substantially similar treatment under the same circumstances; or

(ii) due to the mental illness, the proposed patient received court-ordered inpatient treatment under section 253B.09 at least two times in the previous three years; the patient is exhibiting symptoms or behavior substantially similar to those that precipitated one or more of the court-ordered treatments; and the patient is reasonably expected to physically or mentally deteriorate to the point of meeting the criteria for commitment under section 253B.09 unless treated.

For purposes of this paragraph, a proposed patient who was released under section 253B.095 and whose release was not revoked is not considered to have received court-ordered inpatient treatment under section 253B.09.

(c) The court may order early intervention treatment if the court finds by clear and convincing evidence that a pregnant woman is a chemically dependent person. A chemically dependent person for purposes of this section is a woman who has during pregnancy engaged in excessive use, for a nonmedical purpose, of controlled substances or their derivatives, alcohol, or inhalants that will pose a substantial risk of damage to the brain or physical development of the fetus.

(d) For purposes of paragraphs (b) and (c), none of the following constitute a refusal to accept appropriate mental health treatment:

- (1) a willingness to take medication but a reasonable disagreement about type or dosage;
- (2) a good faith effort to follow a reasonable alternative treatment plan, including treatment as specified in a valid advance directive under chapter 145C or section 253B.03, subdivision 6d;
- (3) an inability to obtain access to appropriate treatment because of inadequate health care coverage or an insurer's refusal or delay in providing coverage for the treatment; or
- (4) an inability to obtain access to needed mental health services because the provider will only accept patients who are under a court order or because the provider gives persons under a court order a priority over voluntary patients in obtaining treatment and services.

Sec. 4. Minnesota Statutes 2016, section 253B.07, subdivision 2b, is amended to read:

Subd. 2b. **Apprehend and hold orders.** (a) The court may order the treatment facility to hold the person in a treatment facility or direct a health officer, peace officer, or other person to take the proposed patient into custody and transport the proposed patient to a treatment facility for observation, evaluation, diagnosis, care, treatment, and, if necessary, confinement, when:

- (1) there has been a particularized showing by the petitioner that serious physical harm to the proposed patient or others is likely unless the proposed patient is immediately apprehended;
- (2) the proposed patient has not voluntarily appeared for the examination or the commitment hearing pursuant to the summons; or
- (3) a person is held pursuant to section 253B.05 and a request for a petition for commitment has been filed or an evaluation is ordered for a patient who has failed to substantially comply with an order for assisted outpatient treatment under section 253B.09, subdivision 6.

(b) The order of the court may be executed on any day and at any time by the use of all necessary means including the imposition of necessary restraint upon the proposed patient. Where possible, a peace officer taking the proposed patient into custody pursuant to this subdivision shall not be in uniform and shall not use a motor vehicle visibly marked as a police vehicle. Except as provided in section 253D.10, subdivision 2, in the case of an individual on a judicial hold due to a petition for civil commitment under chapter 253D, assignment of custody during the hold is to the commissioner of human services. The commissioner is responsible for determining the appropriate placement within a secure treatment facility under the authority of the commissioner.

(c) A proposed patient must not be allowed or required to consent to nor participate in a clinical drug trial while an order is in effect under this subdivision. A consent given while an order is in effect is void and unenforceable. This paragraph does not prohibit a patient from continuing participation in a clinical drug trial if the patient was participating in the drug trial at the time the order was issued under this subdivision.

Sec. 5. Minnesota Statutes 2016, section 253B.09, subdivision 5, is amended to read:

Subd. 5. **Initial commitment period.** The initial commitment begins on the date that the court issues its order or warrant under section 253B.10, subdivision 1. For persons committed as mentally ill, developmentally disabled, or chemically dependent the initial commitment shall not exceed six months, except to the extent the person is subject to a mandatory assisted outpatient treatment order under subdivision 6.

Sec. 6. Minnesota Statutes 2016, section 253B.09, is amended by adding a subdivision to read:

Subd. 6. **Mandatory assisted outpatient treatment.** (a) In all cases where a person is committed as a mentally ill person under this chapter, the commitment order must include a requirement that the person participate in mandatory assisted outpatient treatment for one year following the discharge or release of the person from a treatment facility. The head of the treatment facility must arrange for the assignment of a case manager for the person under section 245.462. The case manager must, in consultation with the mentally ill person and the treating psychiatrist, psychologist, physician, or nurse practitioner, develop a written individual treatment plan under section 245.462, subdivision 14, which must include appropriate elements of case management services, community support services, and outpatient services under that section, and treatment alternatives under section 253B.066, subdivision 1, tailored to the needs of the mentally ill person. The treatment plan must include:

(1) an appointment at least once every week with a case manager or a licensed psychiatrist, psychologist, physician, or nurse practitioner who would qualify as an examiner under section 253B.02, subdivision 7; and

(2) verification that the person is taking medication as prescribed for treatment of the person's mental illness.

(b) The treatment plan must be presented to the committing court for review and approval at a hearing designated for that purpose. If, after discharge or release, the person fails to appear for a scheduled appointment or fails to substantially comply with the court-approved treatment plan, the case manager, psychiatrist, psychologist, physician, or nurse practitioner must notify the committing court and a law enforcement agency with jurisdiction in the area where the person resides or where the person may be located for purposes of taking the person into custody under section 253B.05, subdivision 2, paragraph (d).

Sec. 7. Minnesota Statutes 2016, section 253B.13, subdivision 1, is amended to read:

Subdivision 1. **Mentally ill or chemically dependent persons.** If at the conclusion of a review hearing the court finds that the person continues to be mentally ill or chemically dependent and in need of treatment or supervision, the court shall determine the length of continued commitment. No period of commitment shall exceed this length of time or 12 months, whichever is less. This time period does not apply to a person to the extent the person is subject to a mandatory assisted outpatient treatment order under section 253B.09, subdivision 6.

At the conclusion of the prescribed period, commitment may not be continued unless a new petition is filed pursuant to section 253B.07 and hearing and determination made on it. Notwithstanding the provisions of section 253B.09, subdivision 5, the initial commitment period under the new petition shall be the probable length of commitment necessary or 12 months, whichever is less. The standard of proof at the hearing on the new petition shall be the standard specified in section 253B.12, subdivision 4."

Delete the title and insert:

"A bill for an act relating to human services; requiring mandatory assisted outpatient treatment for persons who are mentally ill; amending Minnesota Statutes 2016, sections 144.293, subdivision 5; 253B.05, subdivision 2; 253B.065, subdivision 5; 253B.07, subdivision 2b; 253B.09, subdivision 5, by adding a subdivision; 253B.13, subdivision 1."

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

The report was adopted.

Anderson, P., from the Committee on Agriculture Policy to which was referred:

H. F. No. 1165, A bill for an act relating to legal aid; removing the income limit and conforming farmer financial eligibility to the general poverty-based standard; amending Minnesota Statutes 2016, section 480.242, subdivision 2.

Reported the same back with the following amendments:

Page 2, line 23, before "eligibility" insert "income"

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

The report was adopted.

Anderson, P., from the Committee on Agriculture Policy to which was referred:

H. F. No. 1192, A bill for an act relating to agriculture; codifying a farm safety working group; appropriating money for farm safety initiatives; proposing coding for new law in Minnesota Statutes, chapter 17.

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

The report was adopted.

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

H. F. No. 1194, A bill for an act relating to human services; modifying provisions related to mental health services; providing reimbursement for institutions of mental disease for children; requiring a comprehensive analysis and report on intensive mental health services for children; amending Minnesota Statutes 2016, section 256B.0945, subdivisions 2, 4.

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

The report was adopted.

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

H. F. No. 1195, A bill for an act relating to human services; establishing criteria for the psychiatric residential treatment facilities for persons younger than 21 years of age; amending Minnesota Statutes 2016, sections 245.4889, subdivision 1; 256B.0625, subdivision 45a; 256B.0943, subdivision 13; proposing coding for new law in Minnesota Statutes, chapter 256B.

Reported the same back with the following amendments:

Page 2, delete lines 20 and 21 and insert:

"(17) start-up funding to support providers in meeting program requirements and beginning operations when establishing a new children's mental health program."

Page 5, line 5, delete "Rates are set" and insert "The commissioner shall set rates"

Page 5, line 6, delete "A provider is required" and insert "The commissioner shall require providers"

Page 5, line 7, delete ". A submitted cost report is used" and insert "and shall use submitted cost reports"

Page 5, line 22, delete "require" and insert "are subject to"

Page 5, line 28, delete "require" and insert "these services are subject to"

Page 6, line 12, after "be" insert "used"

Page 6, line 15, delete "per visit"

Page 6, line 16, delete "when a recipient requires admission" and insert "for which a recipient has been admitted"

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

The report was adopted.

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

H. F. No. 1204, A bill for an act relating to labor and industry; making housekeeping changes; modifying employment agents and construction codes and licensing; regulating combative sports; modifying OSHA regulations; amending Minnesota Statutes 2016, sections 182.653, subdivision 9; 182.659, subdivision 8; 182.67, subdivision 1; 184.38, subdivision 17; 184.41; 326B.095; 326B.127, subdivision 5; 326B.133, subdivision 8; 326B.164, subdivisions 1, 3, 6, 7; 326B.439; 326B.46, subdivision 2; 326B.91, subdivisions 3, 6; 326B.92, subdivision 2; 326B.921, subdivisions 1, 2, 3, 4, 5, 6, 7; 326B.922; 326B.925, subdivision 1; 341.25; 341.27; 341.321; repealing Minnesota Statutes 2016, section 326B.37, subdivision 15; Minnesota Rules, parts 5200.0780; 5226.0100; 5226.0200; 5226.0300.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

The report was adopted.

Anderson, P., from the Committee on Agriculture Policy to which was referred:

H. F. No. 1221, A bill for an act relating to agriculture; modifying the nuisance liability protection for certain agricultural operations; establishing the farmer-neighbor mediation program; requiring mediation for certain disputes with farming operations; amending Minnesota Statutes 2016, section 561.19, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 584.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Civil Law and Data Practices Policy.

The report was adopted.

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

H. F. No. 1234, A bill for an act relating to housing; establishing a first-time home buyer savings account program; authorizing establishment of accounts; allowing for income tax subtractions for contributions and earnings on the account; appropriating money; amending Minnesota Statutes 2016, sections 290.0131, by adding a subdivision; 290.0132, by adding a subdivision; 290.06, by adding a subdivision; 290.091, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 462D.

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

The report was adopted.

Runbeck from the Committee on Transportation and Regional Governance Policy to which was referred:

H. F. No. 1241, A bill for an act relating to transportation; requiring the commissioner of transportation to consult, develop, adopt, and publicize best practices to improve objectivity and transparency in project selection processes; requiring a report.

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

The report was adopted.

Anderson, P., from the Committee on Agriculture Policy to which was referred:

H. F. No. 1257, A bill for an act relating to agriculture; appropriating money for grants to provide technical assistance and appropriate technology for certain spark ignition motor fuel wholesalers and retailers.

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

The report was adopted.



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

H. F. No. 1314, A bill for an act relating to health occupations; establishing requirements for the practice of telemedicine; proposing coding for new law in Minnesota Statutes, chapter 147.

Reported the same back with the following amendments:

Page 1, line 13, after "audio" insert a comma

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

The report was adopted.

Torkelson from the Committee on Transportation Finance to which was referred:

H. F. No. 1352, A bill for an act relating to taxation; petroleum; dedicating revenues from the aviation taxes on gasoline used as a substitute for aviation gasoline to the state airports fund; amending Minnesota Statutes 2016, sections 296A.01, by adding a subdivision; 296A.07, subdivision 4; 296A.09, subdivisions 1, 3, 5, 6; 296A.15, subdivisions 1, 4; 296A.17, subdivisions 1, 2, 3; 296A.18, subdivisions 1, 8; 296A.19, subdivision 1; repealing Minnesota Rules, part 8125.1300, subpart 3.

Reported the same back with the following amendments:

Page 5, line 32, after "and" insert "has either paid"

Page 6, line 1, after "270.072" insert "or is an aerial applicator with a category B, general aerial license, under section 18B.33."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "allowing the aviation tax refund to commercial pesticide applicators;"

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

The report was adopted.

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

H. F. No. 1353, A bill for an act relating to human services; correcting obsolete nursing facility cross-references; amending Minnesota Statutes 2016, sections 144.0724, subdivision 1; 144A.071, subdivisions 3, 4a, 4d; 144A.073, subdivision 3c; 144A.10, subdivision 4; 144A.161, subdivision 10; 144A.611, subdivision 1; 144A.74; 256.9657, subdivision 1; 256B.0915, subdivision 3e; 256B.35, subdivision 4; 256B.431, subdivision 30; 256B.50, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2016, section 144.0722, subdivision 1, is amended to read:

Subdivision 1. **Resident reimbursement classifications.** The commissioner of health shall establish resident reimbursement classifications based upon the assessments of residents of nursing homes and boarding care homes conducted under section 144.0721, or under rules established by the commissioner of human services under ~~sections 256B.41 to 256B.48~~ chapter 256R. The reimbursement classifications established by the commissioner must conform to the rules established by the commissioner of human services.

Sec. 2. Minnesota Statutes 2016, section 144.0724, subdivision 1, is amended to read:

Subdivision 1. **Resident reimbursement case mix classifications.** The commissioner of health shall establish resident reimbursement classifications based upon the assessments of residents of nursing homes and boarding care homes conducted under this section and according to section ~~256B.438~~ 256R.17.

Sec. 3. Minnesota Statutes 2016, section 144.0724, subdivision 2, is amended to read:

Subd. 2. **Definitions.** For purposes of this section, the following terms have the meanings given.

(a) "Assessment reference date" or "ARD" means the specific end point for look-back periods in the MDS assessment process. This look-back period is also called the observation or assessment period.

(b) "Case mix index" means the weighting factors assigned to the RUG-IV classifications.

(c) "Index maximization" means classifying a resident who could be assigned to more than one category, to the category with the highest case mix index.

(d) "Minimum data set" or "MDS" means a core set of screening, clinical assessment, and functional status elements, that include common definitions and coding categories specified by the Centers for Medicare and Medicaid Services and designated by the Minnesota Department of Health.

(e) "Representative" means a person who is the resident's guardian or conservator, the person authorized to pay the nursing home expenses of the resident, a representative of the Office of Ombudsman for Long-Term Care whose assistance has been requested, or any other individual designated by the resident.

(f) "Resource utilization groups" or "RUG" means the system for grouping a nursing facility's residents according to their clinical and functional status identified in data supplied by the facility's minimum data set.

(g) "Activities of daily living" means grooming, dressing, bathing, transferring, mobility, positioning, eating, and toileting.

(h) "Nursing facility level of care determination" means the assessment process that results in a determination of a resident's or prospective resident's need for nursing facility level of care as established in subdivision 11 for purposes of medical assistance payment of long-term care services for:

(1) nursing facility services under section 256B.434 or ~~256B.441~~ chapter 256R;

(2) elderly waiver services under section 256B.0915;

(3) CADI and BI waiver services under section 256B.49; and

(4) state payment of alternative care services under section 256B.0913.

Sec. 4. Minnesota Statutes 2016, section 144.0724, subdivision 9, is amended to read:

Subd. 9. **Audit authority.** (a) The commissioner shall audit the accuracy of resident assessments performed under section ~~256B.438~~ 256R.17 through any of the following: desk audits; on-site review of residents and their records; and interviews with staff, residents, or residents' families. The commissioner shall reclassify a resident if the commissioner determines that the resident was incorrectly classified.

(b) The commissioner is authorized to conduct on-site audits on an unannounced basis.

(c) A facility must grant the commissioner access to examine the medical records relating to the resident assessments selected for audit under this subdivision. The commissioner may also observe and speak to facility staff and residents.

(d) The commissioner shall consider documentation under the time frames for coding items on the minimum data set as set out in the Long-Term Care Facility Resident Assessment Instrument User's Manual published by the Centers for Medicare and Medicaid Services.

(e) The commissioner shall develop an audit selection procedure that includes the following factors:

(1) Each facility shall be audited annually. If a facility has two successive audits in which the percentage of change is five percent or less and the facility has not been the subject of a special audit in the past 36 months, the facility may be audited biannually. A stratified sample of 15 percent, with a minimum of ten assessments, of the most current assessments shall be selected for audit. If more than 20 percent of the RUG-IV classifications are changed as a result of the audit, the audit shall be expanded to a second 15 percent sample, with a minimum of ten assessments. If the total change between the first and second samples is 35 percent or greater, the commissioner may expand the audit to all of the remaining assessments.

(2) If a facility qualifies for an expanded audit, the commissioner may audit the facility again within six months. If a facility has two expanded audits within a 24-month period, that facility will be audited at least every six months for the next 18 months.

(3) The commissioner may conduct special audits if the commissioner determines that circumstances exist that could alter or affect the validity of case mix classifications of residents. These circumstances include, but are not limited to, the following:

- (i) frequent changes in the administration or management of the facility;
- (ii) an unusually high percentage of residents in a specific case mix classification;
- (iii) a high frequency in the number of reconsideration requests received from a facility;
- (iv) frequent adjustments of case mix classifications as the result of reconsiderations or audits;
- (v) a criminal indictment alleging provider fraud;
- (vi) other similar factors that relate to a facility's ability to conduct accurate assessments;
- (vii) an atypical pattern of scoring minimum data set items;
- (viii) nonsubmission of assessments;

(ix) late submission of assessments; or

(x) a previous history of audit changes of 35 percent or greater.

(f) Within 15 working days of completing the audit process, the commissioner shall make available electronically the results of the audit to the facility. If the results of the audit reflect a change in the resident's case mix classification, a case mix classification notice will be made available electronically to the facility, using the procedure in subdivision 7, paragraph (a). The notice must contain the resident's classification and a statement informing the resident, the resident's authorized representative, and the facility of their right to review the commissioner's documents supporting the classification and to request a reconsideration of the classification. This notice must also include the address and telephone number of the Office of Ombudsman for Long-Term Care.

Sec. 5. Minnesota Statutes 2016, section 144A.071, subdivision 3, is amended to read:

Subd. 3. **Exceptions authorizing increase in beds; hardship areas.** (a) The commissioner of health, in coordination with the commissioner of human services, may approve the addition of new licensed and Medicare and Medicaid certified nursing home beds, using the criteria and process set forth in this subdivision.

(b) The commissioner, in cooperation with the commissioner of human services, shall consider the following criteria when determining that an area of the state is a hardship area with regard to access to nursing facility services:

(1) a low number of beds per thousand in a specified area using as a standard the beds per thousand people age 65 and older, in five year age groups, using data from the most recent census and population projections, weighted by each group's most recent nursing home utilization, of the county at the 20th percentile, as determined by the commissioner of human services;

(2) a high level of out-migration for nursing facility services associated with a described area from the county or counties of residence to other Minnesota counties, as determined by the commissioner of human services, using as a standard an amount greater than the out-migration of the county ranked at the 50th percentile;

(3) an adequate level of availability of noninstitutional long-term care services measured as public spending for home and community-based long-term care services per individual age 65 and older, in five year age groups, using data from the most recent census and population projections, weighted by each group's most recent nursing home utilization, as determined by the commissioner of human services using as a standard an amount greater than the 50th percentile of counties;

(4) there must be a declaration of hardship resulting from insufficient access to nursing home beds by local county agencies and area agencies on aging; and

(5) other factors that may demonstrate the need to add new nursing facility beds.

(c) On August 15 of odd-numbered years, the commissioner, in cooperation with the commissioner of human services, may publish in the State Register a request for information in which interested parties, using the data provided under section 144A.351, along with any other relevant data, demonstrate that a specified area is a hardship area with regard to access to nursing facility services. For a response to be considered, the commissioner must receive it by November 15. The commissioner shall make responses to the request for information available to the public and shall allow 30 days for comment. The commissioner shall review responses and comments and determine if any areas of the state are to be declared hardship areas.

(d) For each designated hardship area determined in paragraph (c), the commissioner shall publish a request for proposals in accordance with section 144A.073 and Minnesota Rules, parts 4655.1070 to 4655.1098. The request for proposals must be published in the State Register by March 15 following receipt of responses to the request for information. The request for proposals must specify the number of new beds which may be added in the designated hardship area, which must not exceed the number which, if added to the existing number of beds in the area, including beds in layaway status, would have prevented it from being determined to be a hardship area under paragraph (b), clause (1). Beginning July 1, 2011, the number of new beds approved must not exceed 200 beds statewide per biennium. After June 30, 2019, the number of new beds that may be approved in a biennium must not exceed 300 statewide. For a proposal to be considered, the commissioner must receive it within six months of the publication of the request for proposals. The commissioner shall review responses to the request for proposals and shall approve or disapprove each proposal by the following July 15, in accordance with section 144A.073 and Minnesota Rules, parts 4655.1070 to 4655.1098. The commissioner shall base approvals or disapprovals on a comparison and ranking of proposals using only the criteria in subdivision 4a. Approval of a proposal expires after 18 months unless the facility has added the new beds using existing space, subject to approval by the commissioner, or has commenced construction as defined in section 144A.071, subdivision 1a, paragraph (d). If, after the approved beds have been added, fewer than 50 percent of the beds in a facility are newly licensed, the operating payment rates previously in effect shall remain. If, after the approved beds have been added, 50 percent or more of the beds in a facility are newly licensed, operating payment rates shall be determined according to Minnesota Rules, part 9549.0057, using the limits under ~~section 256B.441~~ sections 256R.23, subdivision 5, and 256R.24, subdivision 3. External fixed costs payment rates must be determined according to section ~~256B.441, subdivision 53~~ 256R.25. Property payment rates for facilities with beds added under this subdivision must be determined in the same manner as rate determinations resulting from projects approved and completed under section 144A.073.

(e) The commissioner may:

(1) certify or license new beds in a new facility that is to be operated by the commissioner of veterans affairs or when the costs of constructing and operating the new beds are to be reimbursed by the commissioner of veterans affairs or the United States Veterans Administration; and

(2) license or certify beds in a facility that has been involuntarily delicensed or decertified for participation in the medical assistance program, provided that an application for relicensure or recertification is submitted to the commissioner by an organization that is not a related organization as defined in section ~~256B.441, subdivision 34~~ 256R.02, subdivision 43, to the prior licensee within 120 days after delicensure or decertification.

Sec. 6. Minnesota Statutes 2016, section 144A.071, subdivision 4a, is amended to read:

Subd. 4a. **Exceptions for replacement beds.** It is in the best interest of the state to ensure that nursing homes and boarding care homes continue to meet the physical plant licensing and certification requirements by permitting certain construction projects. Facilities should be maintained in condition to satisfy the physical and emotional needs of residents while allowing the state to maintain control over nursing home expenditure growth.

The commissioner of health in coordination with the commissioner of human services, may approve the renovation, replacement, upgrading, or relocation of a nursing home or boarding care home, under the following conditions:

(a) to license or certify beds in a new facility constructed to replace a facility or to make repairs in an existing facility that was destroyed or damaged after June 30, 1987, by fire, lightning, or other hazard provided:

(i) destruction was not caused by the intentional act of or at the direction of a controlling person of the facility;

(ii) at the time the facility was destroyed or damaged the controlling persons of the facility maintained insurance coverage for the type of hazard that occurred in an amount that a reasonable person would conclude was adequate;

(iii) the net proceeds from an insurance settlement for the damages caused by the hazard are applied to the cost of the new facility or repairs;

(iv) the number of licensed and certified beds in the new facility does not exceed the number of licensed and certified beds in the destroyed facility; and

(v) the commissioner determines that the replacement beds are needed to prevent an inadequate supply of beds.

Project construction costs incurred for repairs authorized under this clause shall not be considered in the dollar threshold amount defined in subdivision 2;

(b) to license or certify beds that are moved from one location to another within a nursing home facility, provided the total costs of remodeling performed in conjunction with the relocation of beds does not exceed \$1,000,000;

(c) to license or certify beds in a project recommended for approval under section 144A.073;

(d) to license or certify beds that are moved from an existing state nursing home to a different state facility, provided there is no net increase in the number of state nursing home beds;

(e) to certify and license as nursing home beds boarding care beds in a certified boarding care facility if the beds meet the standards for nursing home licensure, or in a facility that was granted an exception to the moratorium under section 144A.073, and if the cost of any remodeling of the facility does not exceed \$1,000,000. If boarding care beds are licensed as nursing home beds, the number of boarding care beds in the facility must not increase beyond the number remaining at the time of the upgrade in licensure. The provisions contained in section 144A.073 regarding the upgrading of the facilities do not apply to facilities that satisfy these requirements;

(f) to license and certify up to 40 beds transferred from an existing facility owned and operated by the Amherst H. Wilder Foundation in the city of St. Paul to a new unit at the same location as the existing facility that will serve persons with Alzheimer's disease and other related disorders. The transfer of beds may occur gradually or in stages, provided the total number of beds transferred does not exceed 40. At the time of licensure and certification of a bed or beds in the new unit, the commissioner of health shall delicense and decertify the same number of beds in the existing facility. As a condition of receiving a license or certification under this clause, the facility must make a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate as a result of the transfers allowed under this paragraph;

(g) to license and certify nursing home beds to replace currently licensed and certified boarding care beds which may be located either in a remodeled or renovated boarding care or nursing home facility or in a remodeled, renovated, newly constructed, or replacement nursing home facility within the identifiable complex of health care facilities in which the currently licensed boarding care beds are presently located, provided that the number of boarding care beds in the facility or complex are decreased by the number to be licensed as nursing home beds and further provided that, if the total costs of new construction, replacement, remodeling, or renovation exceed ten percent of the appraised value of the facility or \$200,000, whichever is less, the facility makes a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate by reason of the new construction, replacement, remodeling, or renovation. The provisions contained in section 144A.073 regarding the upgrading of facilities do not apply to facilities that satisfy these requirements;

(h) to license as a nursing home and certify as a nursing facility a facility that is licensed as a boarding care facility but not certified under the medical assistance program, but only if the commissioner of human services certifies to the commissioner of health that licensing the facility as a nursing home and certifying the facility as a nursing facility will result in a net annual savings to the state general fund of \$200,000 or more;

(i) to certify, after September 30, 1992, and prior to July 1, 1993, existing nursing home beds in a facility that was licensed and in operation prior to January 1, 1992;

(j) to license and certify new nursing home beds to replace beds in a facility acquired by the Minneapolis Community Development Agency as part of redevelopment activities in a city of the first class, provided the new facility is located within three miles of the site of the old facility. Operating and property costs for the new facility must be determined and allowed under section 256B.431 or 256B.434 or chapter 256R;

(k) to license and certify up to 20 new nursing home beds in a community-operated hospital and attached convalescent and nursing care facility with 40 beds on April 21, 1991, that suspended operation of the hospital in April 1986. The commissioner of human services shall provide the facility with the same per diem property-related payment rate for each additional licensed and certified bed as it will receive for its existing 40 beds;

(l) to license or certify beds in renovation, replacement, or upgrading projects as defined in section 144A.073, subdivision 1, so long as the cumulative total costs of the facility's remodeling projects do not exceed \$1,000,000;

(m) to license and certify beds that are moved from one location to another for the purposes of converting up to five four-bed wards to single or double occupancy rooms in a nursing home that, as of January 1, 1993, was county-owned and had a licensed capacity of 115 beds;

(n) to allow a facility that on April 16, 1993, was a 106-bed licensed and certified nursing facility located in Minneapolis to layaway all of its licensed and certified nursing home beds. These beds may be relicensed and recertified in a newly constructed teaching nursing home facility affiliated with a teaching hospital upon approval by the legislature. The proposal must be developed in consultation with the interagency committee on long-term care planning. The beds on layaway status shall have the same status as voluntarily delicensed and decertified beds, except that beds on layaway status remain subject to the surcharge in section 256.9657. This layaway provision expires July 1, 1998;

(o) to allow a project which will be completed in conjunction with an approved moratorium exception project for a nursing home in southern Cass County and which is directly related to that portion of the facility that must be repaired, renovated, or replaced, to correct an emergency plumbing problem for which a state correction order has been issued and which must be corrected by August 31, 1993;

(p) to allow a facility that on April 16, 1993, was a 368-bed licensed and certified nursing facility located in Minneapolis to layaway, upon 30 days prior written notice to the commissioner, up to 30 of the facility's licensed and certified beds by converting three-bed wards to single or double occupancy. Beds on layaway status shall have the same status as voluntarily delicensed and decertified beds except that beds on layaway status remain subject to the surcharge in section 256.9657, remain subject to the license application and renewal fees under section 144A.07 and shall be subject to a \$100 per bed reactivation fee. In addition, at any time within three years of the effective date of the layaway, the beds on layaway status may be:

(1) relicensed and recertified upon relocation and reactivation of some or all of the beds to an existing licensed and certified facility or facilities located in Pine River, Brainerd, or International Falls; provided that the total project construction costs related to the relocation of beds from layaway status for any facility receiving relocated beds may not exceed the dollar threshold provided in subdivision 2 unless the construction project has been approved through the moratorium exception process under section 144A.073;

(2) relicensed and recertified, upon reactivation of some or all of the beds within the facility which placed the beds in layaway status, if the commissioner has determined a need for the reactivation of the beds on layaway status.

The property-related payment rate of a facility placing beds on layaway status must be adjusted by the incremental change in its rental per diem after recalculating the rental per diem as provided in section 256B.431, subdivision 3a, paragraph (c). The property-related payment rate for a facility relicensing and recertifying beds from layaway status must be adjusted by the incremental change in its rental per diem after recalculating its rental per diem using the number of beds after the relicensing to establish the facility's capacity day divisor, which shall be effective the first day of the month following the month in which the relicensing and recertification became effective. Any beds remaining on layaway status more than three years after the date the layaway status became effective must be removed from layaway status and immediately delicensed and decertified;

(q) to license and certify beds in a renovation and remodeling project to convert 12 four-bed wards into 24 two-bed rooms, expand space, and add improvements in a nursing home that, as of January 1, 1994, met the following conditions: the nursing home was located in Ramsey County; had a licensed capacity of 154 beds; and had been ranked among the top 15 applicants by the 1993 moratorium exceptions advisory review panel. The total project construction cost estimate for this project must not exceed the cost estimate submitted in connection with the 1993 moratorium exception process;

(r) to license and certify up to 117 beds that are relocated from a licensed and certified 138-bed nursing facility located in St. Paul to a hospital with 130 licensed hospital beds located in South St. Paul, provided that the nursing facility and hospital are owned by the same or a related organization and that prior to the date the relocation is completed the hospital ceases operation of its inpatient hospital services at that hospital. After relocation, the nursing facility's status shall be the same as it was prior to relocation. The nursing facility's property-related payment rate resulting from the project authorized in this paragraph shall become effective no earlier than April 1, 1996. For purposes of calculating the incremental change in the facility's rental per diem resulting from this project, the allowable appraised value of the nursing facility portion of the existing health care facility physical plant prior to the renovation and relocation may not exceed \$2,490,000;

(s) to license and certify two beds in a facility to replace beds that were voluntarily delicensed and decertified on June 28, 1991;

(t) to allow 16 licensed and certified beds located on July 1, 1994, in a 142-bed nursing home and 21-bed boarding care home facility in Minneapolis, notwithstanding the licensure and certification after July 1, 1995, of the Minneapolis facility as a 147-bed nursing home facility after completion of a construction project approved in 1993 under section 144A.073, to be laid away upon 30 days' prior written notice to the commissioner. Beds on layaway status shall have the same status as voluntarily delicensed or decertified beds except that they shall remain subject to the surcharge in section 256.9657. The 16 beds on layaway status may be relicensed as nursing home beds and recertified at any time within five years of the effective date of the layaway upon relocation of some or all of the beds to a licensed and certified facility located in Watertown, provided that the total project construction costs related to the relocation of beds from layaway status for the Watertown facility may not exceed the dollar threshold provided in subdivision 2 unless the construction project has been approved through the moratorium exception process under section 144A.073.

The property-related payment rate of the facility placing beds on layaway status must be adjusted by the incremental change in its rental per diem after recalculating the rental per diem as provided in section 256B.431, subdivision 3a, paragraph (c). The property-related payment rate for the facility relicensing and recertifying beds from layaway status must be adjusted by the incremental change in its rental per diem after recalculating its rental per diem using the number of beds after the relicensing to establish the facility's capacity day divisor, which shall be effective the first day of the month following the month in which the relicensing and recertification became effective. Any beds remaining on layaway status more than five years after the date the layaway status became effective must be removed from layaway status and immediately delicensed and decertified;



(u) to license and certify beds that are moved within an existing area of a facility or to a newly constructed addition which is built for the purpose of eliminating three- and four-bed rooms and adding space for dining, lounge areas, bathing rooms, and ancillary service areas in a nursing home that, as of January 1, 1995, was located in Fridley and had a licensed capacity of 129 beds;

(v) to relocate 36 beds in Crow Wing County and four beds from Hennepin County to a 160-bed facility in Crow Wing County, provided all the affected beds are under common ownership;

(w) to license and certify a total replacement project of up to 49 beds located in Norman County that are relocated from a nursing home destroyed by flood and whose residents were relocated to other nursing homes. The operating cost payment rates for the new nursing facility shall be determined based on the interim and settle-up payment provisions of Minnesota Rules, part 9549.0057, and the reimbursement provisions of ~~section 256B.431~~ chapter 256R. Property-related reimbursement rates shall be determined under section ~~256B.431~~ 256R.26, taking into account any federal or state flood-related loans or grants provided to the facility;

(x) to license and certify to the licensee of a nursing home in Polk County that was destroyed by flood in 1997 replacement projects with a total of up to 129 beds, with at least 25 beds to be located in Polk County and up to 104 beds distributed among up to three other counties. These beds may only be distributed to counties with fewer than the median number of age intensity adjusted beds per thousand, as most recently published by the commissioner of human services. If the licensee chooses to distribute beds outside of Polk County under this paragraph, prior to distributing the beds, the commissioner of health must approve the location in which the licensee plans to distribute the beds. The commissioner of health shall consult with the commissioner of human services prior to approving the location of the proposed beds. The licensee may combine these beds with beds relocated from other nursing facilities as provided in section 144A.073, subdivision 3c. The operating payment rates for the new nursing facilities shall be determined based on the interim and settle-up payment provisions of ~~section 256B.431, 256B.434, or 256B.441~~ of Minnesota Rules, parts 9549.0010 to 9549.0080. Property-related reimbursement rates shall be determined under section ~~256B.431, 256B.434, or 256B.441~~ 256R.26. If the replacement beds permitted under this paragraph are combined with beds from other nursing facilities, the rates shall be calculated as the weighted average of rates determined as provided in this paragraph and section ~~256B.441, subdivision 60~~ 256R.50;

(y) to license and certify beds in a renovation and remodeling project to convert 13 three-bed wards into 13 two-bed rooms and 13 single-bed rooms, expand space, and add improvements in a nursing home that, as of January 1, 1994, met the following conditions: the nursing home was located in Ramsey County, was not owned by a hospital corporation, had a licensed capacity of 64 beds, and had been ranked among the top 15 applicants by the 1993 moratorium exceptions advisory review panel. The total project construction cost estimate for this project must not exceed the cost estimate submitted in connection with the 1993 moratorium exception process;

(z) to license and certify up to 150 nursing home beds to replace an existing 285 bed nursing facility located in St. Paul. The replacement project shall include both the renovation of existing buildings and the construction of new facilities at the existing site. The reduction in the licensed capacity of the existing facility shall occur during the construction project as beds are taken out of service due to the construction process. Prior to the start of the construction process, the facility shall provide written information to the commissioner of health describing the process for bed reduction, plans for the relocation of residents, and the estimated construction schedule. The relocation of residents shall be in accordance with the provisions of law and rule;

(aa) to allow the commissioner of human services to license an additional 36 beds to provide residential services for the physically disabled under Minnesota Rules, parts 9570.2000 to 9570.3400, in a 198-bed nursing home located in Red Wing, provided that the total number of licensed and certified beds at the facility does not increase;

(bb) to license and certify a new facility in St. Louis County with 44 beds constructed to replace an existing facility in St. Louis County with 31 beds, which has resident rooms on two separate floors and an antiquated elevator that creates safety concerns for residents and prevents nonambulatory residents from residing on the second floor. The project shall include the elimination of three- and four-bed rooms;

(cc) to license and certify four beds in a 16-bed certified boarding care home in Minneapolis to replace beds that were voluntarily delicensed and decertified on or before March 31, 1992. The licensure and certification is conditional upon the facility periodically assessing and adjusting its resident mix and other factors which may contribute to a potential institution for mental disease declaration. The commissioner of human services shall retain the authority to audit the facility at any time and shall require the facility to comply with any requirements necessary to prevent an institution for mental disease declaration, including delicensure and decertification of beds, if necessary;

(dd) to license and certify 72 beds in an existing facility in Mille Lacs County with 80 beds as part of a renovation project. The renovation must include construction of an addition to accommodate ten residents with beginning and midstage dementia in a self-contained living unit; creation of three resident households where dining, activities, and support spaces are located near resident living quarters; designation of four beds for rehabilitation in a self-contained area; designation of 30 private rooms; and other improvements;

(ee) to license and certify beds in a facility that has undergone replacement or remodeling as part of a planned closure under section ~~256B.437~~ 256R.40;

(ff) to license and certify a total replacement project of up to 124 beds located in Wilkin County that are in need of relocation from a nursing home significantly damaged by flood. The operating cost payment rates for the new nursing facility shall be determined based on the interim and settle-up payment provisions of Minnesota Rules, part 9549.0057, and the reimbursement provisions of ~~section 256B.431~~ chapter 256R. Property-related reimbursement rates shall be determined under section ~~256B.431~~ 256R.26, taking into account any federal or state flood-related loans or grants provided to the facility;

(gg) to allow the commissioner of human services to license an additional nine beds to provide residential services for the physically disabled under Minnesota Rules, parts 9570.2000 to 9570.3400, in a 240-bed nursing home located in Duluth, provided that the total number of licensed and certified beds at the facility does not increase;

(hh) to license and certify up to 120 new nursing facility beds to replace beds in a facility in Anoka County, which was licensed for 98 beds as of July 1, 2000, provided the new facility is located within four miles of the existing facility and is in Anoka County. Operating and property rates shall be determined and allowed under ~~section 256B.431~~ chapter 256R and Minnesota Rules, parts 9549.0010 to 9549.0080, ~~or section 256B.434 or 256B.441~~; or

(ii) to transfer up to 98 beds of a 129-licensed bed facility located in Anoka County that, as of March 25, 2001, is in the active process of closing, to a 122-licensed bed nonprofit nursing facility located in the city of Columbia Heights or its affiliate. The transfer is effective when the receiving facility notifies the commissioner in writing of the number of beds accepted. The commissioner shall place all transferred beds on layaway status held in the name of the receiving facility. The layaway adjustment provisions of section 256B.431, subdivision 30, do not apply to this layaway. The receiving facility may only remove the beds from layaway for recertification and relicensure at the receiving facility's current site, or at a newly constructed facility located in Anoka County. The receiving facility must receive statutory authorization before removing these beds from layaway status, or may remove these beds from layaway status if removal from layaway status is part of a moratorium exception project approved by the commissioner under section 144A.073.

Sec. 7. Minnesota Statutes 2016, section 144A.071, subdivision 4c, is amended to read:

Subd. 4c. **Exceptions for replacement beds after June 30, 2003.** (a) The commissioner of health, in coordination with the commissioner of human services, may approve the renovation, replacement, upgrading, or relocation of a nursing home or boarding care home, under the following conditions:

(1) to license and certify an 80-bed city-owned facility in Nicollet County to be constructed on the site of a new city-owned hospital to replace an existing 85-bed facility attached to a hospital that is also being replaced. The threshold allowed for this project under section 144A.073 shall be the maximum amount available to pay the additional medical assistance costs of the new facility;

(2) to license and certify 29 beds to be added to an existing 69-bed facility in St. Louis County, provided that the 29 beds must be transferred from active or layaway status at an existing facility in St. Louis County that had 235 beds on April 1, 2003.

The licensed capacity at the 235-bed facility must be reduced to 206 beds, but the payment rate at that facility shall not be adjusted as a result of this transfer. The operating payment rate of the facility adding beds after completion of this project shall be the same as it was on the day prior to the day the beds are licensed and certified. This project shall not proceed unless it is approved and financed under the provisions of section 144A.073;

(3) to license and certify a new 60-bed facility in Austin, provided that: (i) 45 of the new beds are transferred from a 45-bed facility in Austin under common ownership that is closed and 15 of the new beds are transferred from a 182-bed facility in Albert Lea under common ownership; (ii) the commissioner of human services is authorized by the 2004 legislature to negotiate budget-neutral planned nursing facility closures; and (iii) money is available from planned closures of facilities under common ownership to make implementation of this clause budget-neutral to the state. The bed capacity of the Albert Lea facility shall be reduced to 167 beds following the transfer. Of the 60 beds at the new facility, 20 beds shall be used for a special care unit for persons with Alzheimer's disease or related dementias;

(4) to license and certify up to 80 beds transferred from an existing state-owned nursing facility in Cass County to a new facility located on the grounds of the Ah-Gwah-Ching campus. The operating cost payment rates for the new facility shall be determined based on the interim and settle-up payment provisions of Minnesota Rules, part 9549.0057, and the reimbursement provisions of ~~section 256B.434~~ chapter 256R. The property payment rate for the first three years of operation shall be \$35 per day. For subsequent years, the property payment rate of \$35 per day shall be adjusted for inflation as provided in section 256B.434, subdivision 4, paragraph (c), as long as the facility has a contract under section 256B.434;

(5) to initiate a pilot program to license and certify up to 80 beds transferred from an existing county-owned nursing facility in Steele County relocated to the site of a new acute care facility as part of the county's Communities for a Lifetime comprehensive plan to create innovative responses to the aging of its population. Upon relocation to the new site, the nursing facility shall delicense 28 beds. The payment rate for external fixed costs for the new facility shall be increased by an amount as calculated according to items (i) to (v):

(i) compute the estimated decrease in medical assistance residents served by the nursing facility by multiplying the decrease in licensed beds by the historical percentage of medical assistance resident days;

(ii) compute the annual savings to the medical assistance program from the delicensure of 28 beds by multiplying the anticipated decrease in medical assistance residents, determined in item (i), by the existing facility's weighted average payment rate multiplied by 365;

(iii) compute the anticipated annual costs for community-based services by multiplying the anticipated decrease in medical assistance residents served by the nursing facility, determined in item (i), by the average monthly elderly waiver service costs for individuals in Steele County multiplied by 12;

(iv) subtract the amount in item (iii) from the amount in item (ii);

(v) divide the amount in item (iv) by an amount equal to the relocated nursing facility's occupancy factor under section 256B.431, subdivision 3f, paragraph (c), multiplied by the historical percentage of medical assistance resident days; and

(6) to consolidate and relocate nursing facility beds to a new site in Goodhue County and to integrate these services with other community-based programs and services under a communities for a lifetime pilot program and comprehensive plan to create innovative responses to the aging of its population. Two nursing facilities, one for 84 beds and one for 65 beds, in the city of Red Wing licensed on July 1, 2015, shall be consolidated into a newly renovated 64-bed nursing facility resulting in the delicensure of 85 beds. Notwithstanding the carryforward of the approval authority in section 144A.073, subdivision 11, the funding approved in April 2009 by the commissioner of health for a project in Goodhue County shall not carry forward. The closure of the 85 beds shall not be eligible for a planned closure rate adjustment under section ~~256B.437~~ 256R.40. The construction project permitted in this clause shall not be eligible for a threshold project rate adjustment under section 256B.434, subdivision 4f. The payment rate for external fixed costs for the new facility shall be increased by an amount as calculated according to items (i) to (vi):

(i) compute the estimated decrease in medical assistance residents served by both nursing facilities by multiplying the difference between the occupied beds of the two nursing facilities for the reporting year ending September 30, 2009, and the projected occupancy of the facility at 95 percent occupancy by the historical percentage of medical assistance resident days;

(ii) compute the annual savings to the medical assistance program from the delicensure by multiplying the anticipated decrease in the medical assistance residents, determined in item (i), by the hospital-owned nursing facility weighted average payment rate multiplied by 365;

(iii) compute the anticipated annual costs for community-based services by multiplying the anticipated decrease in medical assistance residents served by the facilities, determined in item (i), by the average monthly elderly waiver service costs for individuals in Goodhue County multiplied by 12;

(iv) subtract the amount in item (iii) from the amount in item (ii);

(v) multiply the amount in item (iv) by 57.2 percent; and

(vi) divide the difference of the amount in item (iv) and the amount in item (v) by an amount equal to the relocated nursing facility's occupancy factor under section 256B.431, subdivision 3f, paragraph (c), multiplied by the historical percentage of medical assistance resident days.

(b) Projects approved under this subdivision shall be treated in a manner equivalent to projects approved under subdivision 4a.

Sec. 8. Minnesota Statutes 2016, section 144A.071, subdivision 4d, is amended to read:

Subd. 4d. **Consolidation of nursing facilities.** (a) The commissioner of health, in consultation with the commissioner of human services, may approve a request for consolidation of nursing facilities which includes the closure of one or more facilities and the upgrading of the physical plant of the remaining nursing facility or facilities, the costs of which exceed the threshold project limit under subdivision 2, clause (a). The commissioners

shall consider the criteria in this section, section 144A.073, and section ~~256B.437~~ 256R.40, in approving or rejecting a consolidation proposal. In the event the commissioners approve the request, the commissioner of human services shall calculate an external fixed costs rate adjustment according to clauses (1) to (3):

(1) the closure of beds shall not be eligible for a planned closure rate adjustment under section ~~256B.437, subdivision 6~~ 256R.40, subdivision 5;

(2) the construction project permitted in this clause shall not be eligible for a threshold project rate adjustment under section 256B.434, subdivision 4f, or a moratorium exception adjustment under section 144A.073; and

(3) the payment rate for external fixed costs for a remaining facility or facilities shall be increased by an amount equal to 65 percent of the projected net cost savings to the state calculated in paragraph (b), divided by the state's medical assistance percentage of medical assistance dollars, and then divided by estimated medical assistance resident days, as determined in paragraph (c), of the remaining nursing facility or facilities in the request in this paragraph. The rate adjustment is effective on the later of the first day of the month following completion of the construction upgrades in the consolidation plan or the first day of the month following the complete closure of a facility designated for closure in the consolidation plan. If more than one facility is receiving upgrades in the consolidation plan, each facility's date of construction completion must be evaluated separately.

(b) For purposes of calculating the net cost savings to the state, the commissioner shall consider clauses (1) to (7):

(1) the annual savings from estimated medical assistance payments from the net number of beds closed taking into consideration only beds that are in active service on the date of the request and that have been in active service for at least three years;

(2) the estimated annual cost of increased case load of individuals receiving services under the elderly waiver;

(3) the estimated annual cost of elderly waiver recipients receiving support under group residential housing;

(4) the estimated annual cost of increased case load of individuals receiving services under the alternative care program;

(5) the annual loss of license surcharge payments on closed beds;

(6) the savings from not paying planned closure rate adjustments that the facilities would otherwise be eligible for under section ~~256B.437~~ 256R.40; and

(7) the savings from not paying external fixed costs payment rate adjustments from submission of renovation costs that would otherwise be eligible as threshold projects under section 256B.434, subdivision 4f.

(c) For purposes of the calculation in paragraph (a), clause (3), the estimated medical assistance resident days of the remaining facility or facilities shall be computed assuming 95 percent occupancy multiplied by the historical percentage of medical assistance resident days of the remaining facility or facilities, as reported on the facility's or facilities' most recent nursing facility statistical and cost report filed before the plan of closure is submitted, multiplied by 365.

(d) For purposes of net cost of savings to the state in paragraph (b), the average occupancy percentages will be those reported on the facility's or facilities' most recent nursing facility statistical and cost report filed before the plan of closure is submitted, and the average payment rates shall be calculated based on the approved payment rates in effect at the time the consolidation request is submitted.

(e) To qualify for the external fixed costs payment rate adjustment under this subdivision, the closing facilities shall:

- (1) submit an application for closure according to section ~~256B.437, subdivision 3~~ 256R.40, subdivision 2; and
- (2) follow the resident relocation provisions of section 144A.161.

(f) The county or counties in which a facility or facilities are closed under this subdivision shall not be eligible for designation as a hardship area under subdivision 3 for five years from the date of the approval of the proposed consolidation. The applicant shall notify the county of this limitation and the county shall acknowledge this in a letter of support.

Sec. 9. Minnesota Statutes 2016, section 144A.073, subdivision 3c, is amended to read:

Subd. 3c. **Cost neutral relocation projects.** (a) Notwithstanding subdivision 3, the commissioner may at any time accept proposals, or amendments to proposals previously approved under this section, for relocations that are cost neutral with respect to state costs as defined in section 144A.071, subdivision 5a. The commissioner, in consultation with the commissioner of human services, shall evaluate proposals according to subdivision 4a, clauses (1), (4), (5), (6), and (8), and other criteria established in rule or law. The commissioner of human services shall determine the allowable payment rates of the facility receiving the beds in accordance with section ~~256B.441, subdivision 60~~ 256R.50. The commissioner shall approve or disapprove a project within 90 days.

(b) For the purposes of paragraph (a), cost neutrality shall be measured over the first three 12-month periods of operation after completion of the project.

Sec. 10. Minnesota Statutes 2016, section 144A.10, subdivision 4, is amended to read:

Subd. 4. **Correction orders.** Whenever a duly authorized representative of the commissioner of health finds upon inspection of a nursing home, that the facility or a controlling person or an employee of the facility is not in compliance with sections 144.411 to 144.417, 144.651, 144.6503, 144A.01 to 144A.155, or 626.557 or the rules promulgated thereunder, a correction order shall be issued to the facility. The correction order shall state the deficiency, cite the specific rule or statute violated, state the suggested method of correction, and specify the time allowed for correction. If the commissioner finds that the nursing home had uncorrected or repeated violations which create a risk to resident care, safety, or rights, the commissioner shall notify the commissioner of human services ~~who shall require the facility to use any efficiency incentive payments received under section 256B.431, subdivision 2b, paragraph (d), to correct the violations and shall require the facility to forfeit incentive payments for failure to correct the violations as provided in section 256B.431, subdivision 2n. The forfeiture shall not apply to correction orders issued for physical plant deficiencies.~~

Sec. 11. Minnesota Statutes 2016, section 144A.15, subdivision 2, is amended to read:

Subd. 2. **Appointment of receiver, rental.** If, after hearing, the court finds that receivership is necessary as a means of protecting the health, safety, or welfare of a resident of the facility, the court shall appoint the commissioner of health as a receiver to take charge of the facility. The commissioner may enter into an agreement for a managing agent to work on the commissioner's behalf in operating the facility during the receivership. The court shall determine a fair monthly rental for the facility, taking into account all relevant factors including the condition of the facility. This rental fee shall be paid by the receiver to the appropriate controlling person for each month that the receivership remains in effect but shall be reduced by the amount that the costs of the receivership provided under section ~~256B.495~~ 256R.52 are in excess of the facility rate. The controlling person may agree to waive the fair monthly rent by affidavit to the court. Notwithstanding any other law to the contrary, no payment made to a controlling person by any state agency during a period of receivership shall include any allowance for profit or be based on any formula which includes an allowance for profit.

Notwithstanding state contracting requirements in chapter 16C, the commissioner shall establish and maintain a list of qualified licensed nursing home administrators, or other qualified persons or organizations with experience in delivering skilled health care services and the operation of long-term care facilities for those interested in being a managing agent on the commissioner's behalf during a state receivership of a facility. This list will be a resource for choosing a managing agent and the commissioner may update the list at any time. A managing agent cannot be someone who: (1) is the owner, licensee, or administrator of the facility; (2) has a financial interest in the facility at the time of the receivership or is a related party to the owner, licensee, or administrator; or (3) has owned or operated any nursing facility or boarding care home that has been ordered into receivership.

Sec. 12. Minnesota Statutes 2016, section 144A.154, is amended to read:

**144A.154 RATE RECOMMENDATION.**

The commissioner may recommend to the commissioner of human services a review of the rates for a nursing home or boarding care home that participates in the medical assistance program that is in voluntary or involuntary receivership, and that has needs or deficiencies documented by the Department of Health. If the commissioner of health determines that a review of the rate under section ~~256B.495~~ 256R.52 is needed, the commissioner shall provide the commissioner of human services with:

- (1) a copy of the order or determination that cites the deficiency or need; and
- (2) the commissioner's recommendation for additional staff and additional annual hours by type of employee and additional consultants, services, supplies, equipment, or repairs necessary to satisfy the need or deficiency.

Sec. 13. Minnesota Statutes 2016, section 144A.161, subdivision 10, is amended to read:

Subd. 10. **Facility closure rate adjustment.** Upon the request of a closing facility, the commissioner of human services must allow the facility a closure rate adjustment equal to a 50 percent payment rate increase to reimburse relocation costs or other costs related to facility closure. This rate increase is effective on the date the facility's occupancy decreases to 90 percent of capacity days after the written notice of closure is distributed under subdivision 5 and shall remain in effect for a period of up to 60 days. The commissioner shall delay the implementation of rate adjustments under section ~~256B.437, subdivisions 3, paragraph (b), and 6, paragraph (a)~~ 256R.40, subdivisions 5 and 6, to offset the cost of this rate adjustment.

Sec. 14. Minnesota Statutes 2016, section 144A.1888, is amended to read:

**144A.1888 REUSE OF FACILITIES.**

Notwithstanding any local ordinance related to development, planning, or zoning to the contrary, the conversion or reuse of a nursing home that closes or that curtails, reduces, or changes operations shall be considered a conforming use permitted under local law, provided that the facility is converted to another long-term care service approved by a regional planning group under section ~~256B.437~~ 256R.40 that serves a smaller number of persons than the number of persons served before the closure or curtailment, reduction, or change in operations.

Sec. 15. Minnesota Statutes 2016, section 144A.611, subdivision 1, is amended to read:

Subdivision 1. **Nursing homes and certified boarding care homes.** The actual costs of tuition and textbooks and reasonable expenses for the competency evaluation or the nursing assistant training program and competency evaluation approved under section 144A.61, which are paid to nursing assistants or adult training programs pursuant to subdivisions 2 and 4, are a reimbursable expense for nursing homes and certified boarding care homes under section ~~256B.431, subdivision 36~~ 256R.37.

Sec. 16. Minnesota Statutes 2016, section 144A.74, is amended to read:

**144A.74 MAXIMUM CHARGES.**

A supplemental nursing services agency must not bill or receive payments from a nursing home licensed under this chapter at a rate higher than 150 percent of the sum of the weighted average wage rate, plus a factor determined by the commissioner to incorporate payroll taxes as defined in ~~Minnesota Rules, part 9549.0020, subpart 33~~ section 256R.02, subdivision 37, for the applicable employee classification for the geographic group to which the nursing home is assigned under Minnesota Rules, part 9549.0052. The weighted average wage rates must be determined by the commissioner of human services and reported to the commissioner of health on an annual basis. Wages are defined as hourly rate of pay and shift differential, including weekend shift differential and overtime. Facilities shall provide information necessary to determine weighted average wage rates to the commissioner of human services in a format requested by the commissioner. The maximum rate must include all charges for administrative fees, contract fees, or other special charges in addition to the hourly rates for the temporary nursing pool personnel supplied to a nursing home.

Sec. 17. Minnesota Statutes 2016, section 256.9657, subdivision 1, is amended to read:

Subdivision 1. **Nursing home license surcharge.** (a) Effective July 1, 1993, each non-state-operated nursing home licensed under chapter 144A shall pay to the commissioner an annual surcharge according to the schedule in subdivision 4. The surcharge shall be calculated as \$620 per licensed bed. If the number of licensed beds is reduced, the surcharge shall be based on the number of remaining licensed beds the second month following the receipt of timely notice by the commissioner of human services that beds have been delicensed. The nursing home must notify the commissioner of health in writing when beds are delicensed. The commissioner of health must notify the commissioner of human services within ten working days after receiving written notification. If the notification is received by the commissioner of human services by the 15th of the month, the invoice for the second following month must be reduced to recognize the delicensing of beds. Beds on layaway status continue to be subject to the surcharge. The commissioner of human services must acknowledge a medical care surcharge appeal within 30 days of receipt of the written appeal from the provider.

(b) Effective July 1, 1994, the surcharge in paragraph (a) shall be increased to \$625.

(c) Effective August 15, 2002, the surcharge under paragraph (b) shall be increased to \$990.

(d) Effective July 15, 2003, the surcharge under paragraph (c) shall be increased to \$2,815.

(e) The commissioner may reduce, and may subsequently restore, the surcharge under paragraph (d) based on the commissioner's determination of a permissible surcharge.

~~(f) Between April 1, 2002, and August 15, 2004, a facility governed by this subdivision may elect to assume full participation in the medical assistance program by agreeing to comply with all of the requirements of the medical assistance program, including the rate equalization law in section 256B.48, subdivision 1, paragraph (a), and all other requirements established in law or rule, and to begin intake of new medical assistance recipients. Rates will be determined under Minnesota Rules, parts 9549.0010 to 9549.0080. Rate calculations will be subject to limits as prescribed in rule and law. Other than the adjustments in sections 256B.431, subdivisions 30 and 32; 256B.437, subdivision 3, paragraph (b), Minnesota Rules, part 9549.0057, and any other applicable legislation enacted prior to the finalization of rates, facilities assuming full participation in medical assistance under this paragraph are not eligible for any rate adjustments until the July 1 following their settle up period.~~



Sec. 18. Minnesota Statutes 2016, section 256B.0915, subdivision 3e, is amended to read:

Subd. 3e. **Customized living service rate.** (a) Payment for customized living services shall be a monthly rate authorized by the lead agency within the parameters established by the commissioner. The payment agreement must delineate the amount of each component service included in the recipient's customized living service plan. The lead agency, with input from the provider of customized living services, shall ensure that there is a documented need within the parameters established by the commissioner for all component customized living services authorized.

(b) The payment rate must be based on the amount of component services to be provided utilizing component rates established by the commissioner. Counties and tribes shall use tools issued by the commissioner to develop and document customized living service plans and rates.

(c) Component service rates must not exceed payment rates for comparable elderly waiver or medical assistance services and must reflect economies of scale. Customized living services must not include rent or raw food costs.

(d) With the exception of individuals described in subdivision 3a, paragraph (b), the individualized monthly authorized payment for the customized living service plan shall not exceed 50 percent of the greater of either the statewide or any of the geographic groups' weighted average monthly nursing facility rate of the case mix resident class to which the elderly waiver eligible client would be assigned under Minnesota Rules, parts 9549.0051 to 9549.0059, less the maintenance needs allowance as described in subdivision 1d, paragraph (a). Effective on July 1 of the state fiscal year in which the resident assessment system as described in section ~~256B.438~~ 256R.17 for nursing home rate determination is implemented and July 1 of each subsequent state fiscal year, the individualized monthly authorized payment for the services described in this clause shall not exceed the limit which was in effect on June 30 of the previous state fiscal year updated annually based on legislatively adopted changes to all service rate maximums for home and community-based service providers.

(e) Effective July 1, 2011, the individualized monthly payment for the customized living service plan for individuals described in subdivision 3a, paragraph (b), must be the monthly authorized payment limit for customized living for individuals classified as case mix A, reduced by 25 percent. This rate limit must be applied to all new participants enrolled in the program on or after July 1, 2011, who meet the criteria described in subdivision 3a, paragraph (b). This monthly limit also applies to all other participants who meet the criteria described in subdivision 3a, paragraph (b), at reassessment.

(f) Customized living services are delivered by a provider licensed by the Department of Health as a class A or class F home care provider and provided in a building that is registered as a housing with services establishment under chapter 144D. Licensed home care providers are subject to section 256B.0651, subdivision 14.

(g) A provider may not bill or otherwise charge an elderly waiver participant or their family for additional units of any allowable component service beyond those available under the service rate limits described in paragraph (d), nor for additional units of any allowable component service beyond those approved in the service plan by the lead agency.

(h) Effective July 1, 2016, and each July 1 thereafter, individualized service rate limits for customized living services under this subdivision shall be increased by the difference between any legislatively adopted home and community-based provider rate increases effective on July 1 or since the previous July 1 and the average statewide percentage increase in nursing facility operating payment rates under ~~sections 256B.431, 256B.434, and 256B.441~~ chapter 256R, effective the previous January 1. This paragraph shall only apply if the average statewide percentage increase in nursing facility operating payment rates is greater than any legislatively adopted home and community-based provider rate increases effective on July 1, or occurring since the previous July 1.

Sec. 19. Minnesota Statutes 2016, section 256B.35, subdivision 4, is amended to read:

Subd. 4. **Field audits required.** The commissioner of human services shall conduct field audits at the same time as cost report audits required under section ~~256B.27, subdivision 2a~~ 256R.13, subdivision 1, and at any other time but at least once every four years, without notice, to determine whether this section was complied with and that the funds provided residents for their personal needs were actually expended for that purpose.

Sec. 20. Minnesota Statutes 2016, section 256B.431, subdivision 30, is amended to read:

Subd. 30. **Bed layaway and delicensure.** (a) For rate years beginning on or after July 1, 2000, a nursing facility reimbursed under this section which has placed beds on layaway shall, for purposes of application of the downsizing incentive in subdivision 3a, paragraph (c), and calculation of the rental per diem, have those beds given the same effect as if the beds had been delicensed so long as the beds remain on layaway. At the time of a layaway, a facility may change its single bed election for use in calculating capacity days under Minnesota Rules, part 9549.0060, subpart 11. The property payment rate increase shall be effective the first day of the month following the month in which the layaway of the beds becomes effective under section 144A.071, subdivision 4b.

(b) For rate years beginning on or after July 1, 2000, notwithstanding any provision to the contrary under section 256B.434 or chapter 256R, a nursing facility reimbursed under that section or chapter which has placed beds on layaway shall, for so long as the beds remain on layaway, be allowed to:

(1) aggregate the applicable investment per bed limits based on the number of beds licensed immediately prior to entering the alternative payment system;

(2) retain or change the facility's single bed election for use in calculating capacity days under Minnesota Rules, part 9549.0060, subpart 11; and

(3) establish capacity days based on the number of beds immediately prior to the layaway and the number of beds after the layaway.

The commissioner shall increase the facility's property payment rate by the incremental increase in the rental per diem resulting from the recalculation of the facility's rental per diem applying only the changes resulting from the layaway of beds and clauses (1), (2), and (3). If a facility reimbursed under section 256B.434 or chapter 256R completes a moratorium exception project after its base year, the base year property rate shall be the moratorium project property rate. The base year rate shall be inflated by the factors in section 256B.434, subdivision 4, paragraph (c). The property payment rate increase shall be effective the first day of the month following the month in which the layaway of the beds becomes effective.

(c) If a nursing facility removes a bed from layaway status in accordance with section 144A.071, subdivision 4b, the commissioner shall establish capacity days based on the number of licensed and certified beds in the facility not on layaway and shall reduce the nursing facility's property payment rate in accordance with paragraph (b).

(d) For the rate years beginning on or after July 1, 2000, notwithstanding any provision to the contrary under section 256B.434 or chapter 256R, a nursing facility reimbursed under that section or chapter, which has delicensed beds after July 1, 2000, by giving notice of the delicensure to the commissioner of health according to the notice requirements in section 144A.071, subdivision 4b, shall be allowed to:

(1) aggregate the applicable investment per bed limits based on the number of beds licensed immediately prior to entering the alternative payment system;

(2) retain or change the facility's single bed election for use in calculating capacity days under Minnesota Rules, part 9549.0060, subpart 11; and

(3) establish capacity days based on the number of beds immediately prior to the delicensure and the number of beds after the delicensure.

The commissioner shall increase the facility's property payment rate by the incremental increase in the rental per diem resulting from the recalculation of the facility's rental per diem applying only the changes resulting from the delicensure of beds and clauses (1), (2), and (3). If a facility reimbursed under section 256B.434 completes a moratorium exception project after its base year, the base year property rate shall be the moratorium project property rate. The base year rate shall be inflated by the factors in section 256B.434, subdivision 4, paragraph (c). The property payment rate increase shall be effective the first day of the month following the month in which the delicensure of the beds becomes effective.

(e) For nursing facilities reimbursed under this section ~~or~~, section 256B.434, or chapter 256R, any beds placed on layaway shall not be included in calculating facility occupancy as it pertains to leave days defined in Minnesota Rules, part 9505.0415.

(f) For nursing facilities reimbursed under this section ~~or~~, section 256B.434, or chapter 256R, the rental rate calculated after placing beds on layaway may not be less than the rental rate prior to placing beds on layaway.

(g) A nursing facility receiving a rate adjustment as a result of this section shall comply with section ~~256B.47, subdivision 2~~ 256R.06, subdivision 5.

(h) A facility that does not utilize the space made available as a result of bed layaway or delicensure under this subdivision to reduce the number of beds per room or provide more common space for nursing facility uses or perform other activities related to the operation of the nursing facility shall have its property rate increase calculated under this subdivision reduced by the ratio of the square footage made available that is not used for these purposes to the total square footage made available as a result of bed layaway or delicensure.

Sec. 21. Minnesota Statutes 2016, section 256B.50, subdivision 1, is amended to read:

Subdivision 1. **Scope.** A provider may appeal from a determination of a payment rate established pursuant to this chapter or allowed costs under ~~section 256B.441~~ chapter 256R if the appeal, if successful, would result in a change to the provider's payment rate or to the calculation of maximum charges to therapy vendors as provided by section ~~256B.433, subdivision 3~~ 256R.54. Appeals must be filed in accordance with procedures in this section. This section does not apply to a request from a resident or long-term care facility for reconsideration of the classification of a resident under section 144.0722.

Sec. 22. **EFFECTIVE DATE.**

Sections 1 to 21 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to human services; correcting obsolete nursing facility cross-references; amending Minnesota Statutes 2016, sections 144.0722, subdivision 1; 144.0724, subdivisions 1, 2, 9; 144A.071, subdivisions 3, 4a, 4c, 4d; 144A.073, subdivision 3c; 144A.10, subdivision 4; 144A.15, subdivision 2; 144A.154; 144A.161, subdivision 10; 144A.1888; 144A.611, subdivision 1; 144A.74; 256.9657, subdivision 1; 256B.0915, subdivision 3e; 256B.35, subdivision 4; 256B.431, subdivision 30; 256B.50, subdivision 1."

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

The report was adopted.

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

H. F. No. 1377, A bill for an act relating to energy; establishing a stakeholder group to develop recommendations for consumer protections relating to residential PACE financing; suspending authorization for residential PACE financing; requiring a report.

Reported the same back with the following amendments:

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 2016, section 216C.435, is amended by adding a subdivision to read:

Subd. 7a. **Multifamily residential dwelling.** "Multifamily residential dwelling" means a residential dwelling containing five or more units intended for use as a residence by tenants or lessees of the owner."

Page 1, lines 11 and 14, delete "216C.43 to" and insert "216C.435 and"

Page 3, line 3, delete "or"

Page 3, line 4, delete "multifamily" and delete "216C.43 to" and insert "216C.435 and"

Renumber the sections in sequence

Correct the title numbers accordingly

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

The report was adopted.

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

H. F. No. 1405, A bill for an act relating to human services; allowing commissioner of human services to negotiate payment rates for medical supply and durable medical equipment items with new or modified billing codes; amending Minnesota Statutes 2016, section 256B.766.

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

The report was adopted.

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

H. F. No. 1415, A bill for an act relating to commerce; authorizing and regulating fantasy sports; appropriating money; amending Minnesota Statutes 2016, sections 541.20; 541.21; 609.761, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 325F.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Public Safety and Security Policy and Finance.

The report was adopted.

Runbeck from the Committee on Transportation and Regional Governance Policy to which was referred:

H. F. No. 1434, A bill for an act relating to transportation; governing trunk highway project selection; amending and mandating certain project selection processes; requiring availability of highway project information; amending legislative reporting; amending Minnesota Statutes 2016, sections 161.088, subdivisions 4, 5, 7; 161.38, by adding a subdivision; 174.03, by adding a subdivision; 174.56, subdivisions 1, 2, by adding a subdivision; repealing Minnesota Statutes 2016, section 174.56, subdivision 2a.

Reported the same back with the following amendments:

Page 4, line 7, delete "for trunk highway system projects performed"

Page 4, line 8, before the period, insert "for trunk highway system projects"

Page 6, delete section 9

Correct the title numbers accordingly

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

The report was adopted.

Runbeck from the Committee on Transportation and Regional Governance Policy to which was referred:

H. F. No. 1437, A bill for an act relating to transportation; requiring a study on the proposed Paul Bunyan Expressway; appropriating money.

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

The report was adopted.

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

H. F. No. 1443, A bill for an act relating to commerce; regulating insurance fraud; modifying certain penalties and notices; defining a term; clarifying the authority of the Commerce Fraud Bureau to apply for or execute search warrants; amending Minnesota Statutes 2016, sections 13.82, subdivision 17; 45.0135, subdivision 9; 60A.27, subdivision 1; 65B.84, by adding a subdivision; 626.05, subdivision 2.

Reported the same back with the following amendments:

Page 2, line 23, after "of" insert "attempted"

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

The report was adopted.

Runbeck from the Committee on Transportation and Regional Governance Policy to which was referred:

H. F. No. 1467, A bill for an act relating to transportation; requiring the commissioner of transportation to report to the legislature on use of tolling.

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

The report was adopted.

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

H. F. No. 1477, A bill for an act relating to credit unions; regulating meetings; amending Minnesota Statutes 2016, section 52.07.

Reported the same back with the recommendation that the bill be placed on the General Register.

The report was adopted.

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

H. F. No. 1490, A bill for an act relating to health care; developing pilot programs to increase early preventive dental intervention and care for infants, toddlers, and school-aged children; requiring a report; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 144.

Reported the same back with the following amendments:

Page 2, line 4, after "DENTAL" insert "DISEASE"

Page 2, lines 6, 21, and 26, after "dental" insert "disease"

Page 3, line 9, after "dental" insert "disease"

Amend the title as follows:

Page 1, line 3, after "dental" insert "disease"

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

The report was adopted.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 1504, A bill for an act relating to local government; prohibiting local governments from banning or taxing paper or plastic bags; proposing coding for new law in Minnesota Statutes, chapter 471.

Reported the same back with the following amendments:

Page 1, delete line 7

Renumber the subdivisions in sequence

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

The report was adopted.

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

H. F. No. 1517, A bill for an act relating to health; modifying provisions governing measures to assess the quality of health care services offered by health care providers; amending Minnesota Statutes 2016, sections 62U.02; 256B.072.

Reported the same back with the following amendments:

Page 1, line 9, delete "From" and insert "As part of"

Page 1, line 23, after "participate" insert "and consumer and community input and perspectives are obtained"

Page 2, line 13, delete everything after "shall" and insert "develop"

Page 2, delete lines 14 and 15

Page 2, line 16, delete "statewide measures shall be based on"

Page 2, line 19, after the period, insert "By December 15, 2018, the commissioner shall use the framework to update the statewide measures used to assess the quality of health care services offered by health care providers, including health care providers certified as health care homes under section 256B.0751."

Page 2, line 24, after the period, insert "Care infrastructure measures collected according to section 62J.495 shall not be counted toward the maximum number of measures specified in this paragraph."

Page 2, line 34, after "factors" insert "or composite indices of multiple factors"

Page 4, line 9, strike "electronic"

Page 4, line 10, after "designee" insert "in the formats specified by the commissioner, which must include alternative formats for clinics or hospitals experiencing technological or economic barriers to submission in standardized electronic form"

Page 4, line 13, strike the old language

Page 4, strike line 14

Page 4, line 15, strike the old language

Page 4, line 18, delete "require reporting of" and insert "develop"

Page 4, line 20, strike "Nothing"

Page 4, strike lines 21 and 22

Page 4, line 25, reinstate the stricken language and delete the new language

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

The report was adopted.

Runbeck from the Committee on Transportation and Regional Governance Policy to which was referred:

H. F. No. 1518, A bill for an act relating to public safety; permitting secure electronic storage of certain records; amending Minnesota Statutes 2016, sections 168.33, subdivision 2; 171.061, subdivision 3.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Civil Law and Data Practices Policy.

The report was adopted.

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

H. F. No. 1619, A bill for an act relating to human services; establishing a contingent, alternate medical assistance payment method for children's hospitals; amending Minnesota Statutes 2016, section 256.969, subdivisions 4b, 9.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2016, section 256.969, is amended by adding a subdivision to read:

Subd. 2e. **Alternate inpatient payment rate.** (a) If the days, costs, and revenues associated with patients who are eligible for medical assistance and also have private health insurance are required to be included in the calculation of the hospital-specific disproportionate share hospital payment limit for a rate year, then the commissioner, effective retroactively to rate years beginning on or after January 1, 2015, shall compute an alternate inpatient payment rate for a Minnesota hospital that is designated as a children's hospital and enumerated as such by Medicare. The commissioner shall reimburse the hospital for a rate year at the higher of the amount calculated under the alternate payment rate or the amount calculated under subdivision 9.

(b) The alternate payment rate must meet the criteria in clauses (1) to (4):

(1) the alternate payment rate shall be structured to target a total aggregate reimbursement amount equal to two percent less than each children's hospital's cost coverage percentage in the applicable base year for providing fee-for-service inpatient services under this section to patients enrolled in medical assistance;



(2) costs shall be determined using the most recently available medical assistance cost report provided under subdivision 4b, paragraph (a), clause (3), for the applicable base year. Costs shall be determined using standard Medicare cost finding and cost allocation methods and applied in the same manner as the costs were in the rebasing for the applicable base year. If the medical assistance cost report is not available, costs shall be determined in the interim using the Medicare Cost Report;

(3) in any rate year in which payment to a hospital is made using the alternate payment rate, no payments shall be made to the hospital under subdivision 9; and

(4) if the alternate payment amount increases payments at a rate that is higher than the inflation factor applied over the rebasing period, the commissioner shall take this into consideration when setting payment rates at the next rebasing.

Sec. 2. Minnesota Statutes 2016, section 256.969, subdivision 4b, is amended to read:

Subd. 4b. **Medical assistance cost reports for services.** (a) A hospital that meets one of the following criteria must annually submit to the commissioner medical assistance cost reports within six months of the end of the hospital's fiscal year:

(1) a hospital designated as a critical access hospital that receives medical assistance payments; ~~or~~

(2) a Minnesota hospital or out-of-state hospital located within a Minnesota local trade area that receives a disproportionate population adjustment under subdivision 9; or

(3) a Minnesota hospital that is designated as a children's hospital and enumerated as such by Medicare.

For purposes of this subdivision, local trade area has the meaning given in subdivision 17.

(b) The commissioner shall suspend payments to any hospital that fails to submit a report required under this subdivision. Payments must remain suspended until the report has been filed with and accepted by the commissioner.

**EFFECTIVE DATE.** This section is effective retroactively from January 1, 2015."

Correct the title numbers accordingly

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

The report was adopted.

Garofalo from the Committee on Job Growth and Energy Affordability Policy and Finance to which was referred:

H. F. No. 1620, A bill for an act relating to economic development; temporarily modifying the restrictions on use of Minnesota investment fund local government loan repayment funds.

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

The report was adopted.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 1643, A bill for an act relating to Iron Range resources and rehabilitation; modifying duties of the commissioner; creating a Legislative-Citizen Commission; amending Minnesota Statutes 2016, sections 116J.424; 298.001, subdivision 8, by adding a subdivision; 298.22, subdivisions 1, 1a, 5a, 6, 10, 11, by adding subdivisions; 298.2211, subdivisions 3, 6; 298.223; 298.227; 298.28, subdivisions 7, 7a, 9c, 9d, 11; 298.292, subdivision 2; 298.296; 298.2961; 298.297; repealing Minnesota Statutes 2016, sections 298.22, subdivision 8; 298.2213; 298.298.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2016, section 3.732, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** As used in this section and section 3.736 the terms defined in this section have the meanings given them.

(1) "State" includes each of the departments, boards, agencies, commissions, courts, and officers in the executive, legislative, and judicial branches of the state of Minnesota and includes but is not limited to the Housing Finance Agency, the Minnesota Office of Higher Education, the Higher Education Facilities Authority, the Health Technology Advisory Committee, the Armory Building Commission, the Zoological Board, the Department of Iron Range Resources and Rehabilitation ~~Board~~, the Minnesota Historical Society, the State Agricultural Society, the University of Minnesota, the Minnesota State Colleges and Universities, state hospitals, and state penal institutions. It does not include a city, town, county, school district, or other local governmental body corporate and politic.

(2) "Employee of the state" means all present or former officers, members, directors, or employees of the state, members of the Minnesota National Guard, members of a bomb disposal unit approved by the commissioner of public safety and employed by a municipality defined in section 466.01 when engaged in the disposal or neutralization of bombs or other similar hazardous explosives, as defined in section 299C.063, outside the jurisdiction of the municipality but within the state, or persons acting on behalf of the state in an official capacity, temporarily or permanently, with or without compensation. It does not include either an independent contractor except, for purposes of this section and section 3.736 only, a guardian ad litem acting under court appointment, or members of the Minnesota National Guard while engaged in training or duty under United States Code, title 10, or title 32, section 316, 502, 503, 504, or 505, as amended through December 31, 1983. Notwithstanding sections 43A.02 and 611.263, for purposes of this section and section 3.736 only, "employee of the state" includes a district public defender or assistant district public defender in the Second or Fourth Judicial District, a member of the Health Technology Advisory Committee, and any officer, agent, or employee of the state of Wisconsin performing work for the state of Minnesota pursuant to a joint state initiative.

(3) "Scope of office or employment" means that the employee was acting on behalf of the state in the performance of duties or tasks lawfully assigned by competent authority.

(4) "Judicial branch" has the meaning given in section 43A.02, subdivision 25.

Sec. 2. Minnesota Statutes 2016, section 3.736, subdivision 3, is amended to read:

Subd. 3. **Exclusions.** Without intent to preclude the courts from finding additional cases where the state and its employees should not, in equity and good conscience, pay compensation for personal injuries or property losses, the legislature declares that the state and its employees are not liable for the following losses:

(a) a loss caused by an act or omission of a state employee exercising due care in the execution of a valid or invalid statute or rule;

(b) a loss caused by the performance or failure to perform a discretionary duty, whether or not the discretion is abused;

(c) a loss in connection with the assessment and collection of taxes;

(d) a loss caused by snow or ice conditions on a highway or public sidewalk that does not abut a publicly owned building or a publicly owned parking lot, except when the condition is affirmatively caused by the negligent acts of a state employee;

(e) a loss caused by wild animals in their natural state, except as provided in section 3.7371;

(f) a loss other than injury to or loss of property or personal injury or death;

(g) a loss caused by the condition of unimproved real property owned by the state, which means land that the state has not improved, state land that contains idled or abandoned mine pits or shafts, and appurtenances, fixtures, and attachments to land that the state has neither affixed nor improved;

(h) a loss involving or arising out of the use or operation of a recreational motor vehicle, as defined in section 84.90, subdivision 1, within the right-of-way of a trunk highway, as defined in section 160.02, except that the state is liable for conduct that would entitle a trespasser to damages against a private person;

(i) a loss incurred by a user arising from the construction, operation, or maintenance of the outdoor recreation system, as defined in section 86A.04, or for a loss arising from the construction, operation, maintenance, or administration of grants-in-aid trails as defined in section 85.018, or for a loss arising from the construction, operation, or maintenance of a water access site created by the Department of Iron Range Resources and Rehabilitation Board, except that the state is liable for conduct that would entitle a trespasser to damages against a private person. For the purposes of this clause, a water access site, as defined in section 86A.04 or created by the commissioner of Iron Range resources and rehabilitation Board, that provides access to an idled, water filled mine pit, also includes the entire water filled area of the pit and, further, includes losses caused by the caving or slumping of the mine pit walls;

(j) a loss of benefits or compensation due under a program of public assistance or public welfare, except if state compensation for loss is expressly required by federal law in order for the state to receive federal grants-in-aid;

(k) a loss based on the failure of a person to meet the standards needed for a license, permit, or other authorization issued by the state or its agents;

(l) a loss based on the usual care and treatment, or lack of care and treatment, of a person at a state hospital or state corrections facility where reasonable use of available appropriations has been made to provide care;

(m) loss, damage, or destruction of property of a patient or inmate of a state institution except as provided under section 3.7381;

(n) a loss for which recovery is prohibited by section 169A.48, subdivision 2;

(o) a loss caused by an aeration, bubbler, water circulation, or similar system used to increase dissolved oxygen or maintain open water on the ice of public waters, that is operated under a permit issued by the commissioner of natural resources;

(p) a loss incurred by a visitor to the Minnesota Zoological Garden, except that the state is liable for conduct that would entitle a trespasser to damages against a private person;

(q) a loss arising out of a person's use of a logging road on public land that is maintained exclusively to provide access to timber on that land by harvesters of the timber, and is not signed or otherwise held out to the public as a public highway; and

(r) a loss incurred by a user of property owned, leased, or otherwise controlled by the Minnesota National Guard or the Department of Military Affairs, except that the state is liable for conduct that would entitle a trespasser to damages against a private person.

The state will not pay punitive damages.

Sec. 3. Minnesota Statutes 2016, section 15.01, is amended to read:

#### **15.01 DEPARTMENTS OF THE STATE.**

The following agencies are designated as the departments of the state government: the Department of Administration; the Department of Agriculture; the Department of Commerce; the Department of Corrections; the Department of Education; the Department of Employment and Economic Development; the Department of Health; the Department of Human Rights; the Department of Iron Range Resources and Rehabilitation; the Department of Labor and Industry; the Department of Management and Budget; the Department of Military Affairs; the Department of Natural Resources; the Department of Public Safety; the Department of Human Services; the Department of Revenue; the Department of Transportation; the Department of Veterans Affairs; and their successor departments.

Sec. 4. Minnesota Statutes 2016, section 15.38, subdivision 7, is amended to read:

Subd. 7. **Department of Iron Range Resources and Rehabilitation Board.** After seeking a recommendation from the Legislative Commission on Iron Range Resources and Rehabilitation, the commissioner of Iron Range resources and rehabilitation Board may purchase insurance it considers the commissioner deems necessary and appropriate to insure facilities operated by the board commissioner.

Sec. 5. Minnesota Statutes 2016, section 15A.0815, subdivision 3, is amended to read:

Subd. 3. **Group II salary limits.** The salary for a position listed in this subdivision shall not exceed 120 percent of the salary of the governor. This limit must be adjusted annually on January 1. The new limit must equal the limit for the prior year increased by the percentage increase, if any, in the Consumer Price Index for all urban consumers from October of the second prior year to October of the immediately prior year. The commissioner of management and budget must publish the limit on the department's Web site. This subdivision applies to the following positions:

Executive director of Gambling Control Board;

Commissioner, of Iron Range resources and rehabilitation ~~Board~~;

Commissioner, Bureau of Mediation Services;

Ombudsman for Mental Health and Developmental Disabilities;

Chair, Metropolitan Council;

School trust lands director;

Executive director of pari-mutuel racing; and

Commissioner, Public Utilities Commission.

Sec. 6. Minnesota Statutes 2016, section 43A.02, subdivision 22, is amended to read:

Subd. 22. **Executive branch.** "Executive branch" means heads of all agencies of state government, elective or appointive, established by statute or Constitution and all employees of those agency heads who have within their particular field of responsibility statewide jurisdiction and who are not within the legislative or judicial branches of government. The executive branch also includes employees of the Department of Iron Range Resources and Rehabilitation Board. The executive branch does not include agencies with jurisdiction in specifically defined geographical areas, such as regions, counties, cities, towns, municipalities, or school districts, the University of Minnesota, the Public Employees Retirement Association, the Minnesota State Retirement System, the Teachers Retirement Association, the Minnesota Historical Society, and all of their employees, and any other entity which is incorporated, even though it receives state funds.

Sec. 7. Minnesota Statutes 2016, section 85.0146, subdivision 1, is amended to read:

Subdivision 1. **Advisory council created.** The Cuyuna Country State Recreation Area Citizens Advisory Council is established. Membership on the advisory council shall include:

- (1) a representative of the Cuyuna Range Mineland Recreation Area Joint Powers Board;
- (2) a representative of the Croft Mine Historical Park Joint Powers Board;
- (3) a designee of the Cuyuna Range Mineland Reclamation Committee who has worked as a miner in the local area;
- (4) a representative of the Crow Wing County Board;
- (5) an elected state official;
- (6) a representative of the Grand Rapids regional office of the Department of Natural Resources;
- (7) a designee of the commissioner of Iron Range resources and rehabilitation Board;
- (8) a designee of the local business community selected by the area chambers of commerce;
- (9) a designee of the local environmental community selected by the Crow Wing County District 5 commissioner;
- (10) a designee of a local education organization selected by the Crosby-Ironton School Board;
- (11) a designee of one of the recreation area user groups selected by the Cuyuna Range Chamber of Commerce; and
- (12) a member of the Cuyuna Country Heritage Preservation Society.

Sec. 8. Minnesota Statutes 2016, section 116D.04, subdivision 1a, is amended to read:

Subd. 1a. **Definitions.** For the purposes of this chapter, the following terms have the meanings given to them in this subdivision.

(a) "Natural resources" has the meaning given it in section 116B.02, subdivision 4.

(b) "Pollution, impairment or destruction" has the meaning given it in section 116B.02, subdivision 5.

(c) "Environmental assessment worksheet" means a brief document which is designed to set out the basic facts necessary to determine whether an environmental impact statement is required for a proposed action.

(d) "Governmental action" means activities, including projects wholly or partially conducted, permitted, assisted, financed, regulated, or approved by units of government including the federal government.

(e) "Governmental unit" means any state agency and any general or special purpose unit of government in the state including, but not limited to, watershed districts organized under chapter 103D, counties, towns, cities, port authorities, housing authorities, and economic development authorities established under sections 469.090 to 469.108, but not including courts, school districts, the Department of Iron Range Resources and Rehabilitation, and regional development commissions other than the Metropolitan Council.

Sec. 9. Minnesota Statutes 2016, section 116J.423, subdivision 2, is amended to read:

Subd. 2. **Use of fund.** The commissioner shall use money in the fund to make loans or equity investments in mineral, steel, or any other industry processing, production, manufacturing, or technology project that would enhance the economic diversification and that is located within the taconite ~~relief~~ tax relief area as defined under section 273.134. The commissioner must, prior to making any loans or equity investments and after consultation with industry and public officials, develop a strategy for making loans and equity investments that assists the taconite relief area in retaining and enhancing its economic competitiveness. Money in the fund may also be used to pay for the costs of carrying out the commissioner's due diligence duties under this section.

Sec. 10. Minnesota Statutes 2016, section 116J.424, is amended to read:

#### **116J.424 IRON RANGE RESOURCES AND REHABILITATION ~~BOARD~~ CONTRIBUTION.**

The commissioner of ~~the~~ Iron Range resources and rehabilitation ~~Board with approval by the board, after consultation with the Legislative Commission on Iron Range Resources and Rehabilitation and complying with the requirements for expenditures under section 298.22,~~ may provide an equal match for any loan or equity investment made for a project located in the tax relief area defined in section 273.134, paragraph (b), by the Minnesota 21st century fund created by section 116J.423. The match may be in the form of a loan or equity investment, notwithstanding whether the fund makes a loan or equity investment. The state shall not acquire an equity interest because of an equity investment or loan by the ~~board and the board at its sole discretion shall~~ commissioner of Iron Range resources and rehabilitation and the commissioner, after consultation with the commission, shall have sole discretion to decide what interest ~~the fund~~ acquires in a project. The commissioner of employment and economic development may require a commitment from the ~~board~~ commissioner of Iron Range resources and rehabilitation to make the match prior to disbursing money from the fund.

Sec. 11. Minnesota Statutes 2016, section 116J.994, subdivision 3, is amended to read:

Subd. 3. **Subsidy agreement.** (a) A recipient must enter into a subsidy agreement with the grantor of the subsidy that includes:

(1) a description of the subsidy, including the amount and type of subsidy, and type of district if the subsidy is tax increment financing;

- (2) a statement of the public purposes for the subsidy;
- (3) measurable, specific, and tangible goals for the subsidy;
- (4) a description of the financial obligation of the recipient if the goals are not met;
- (5) a statement of why the subsidy is needed;
- (6) a commitment to continue operations in the jurisdiction where the subsidy is used for at least five years after the benefit date;
- (7) the name and address of the parent corporation of the recipient, if any; and
- (8) a list of all financial assistance by all grantors for the project.

(b) Business subsidies in the form of grants must be structured as forgivable loans. For other types of business subsidies, the agreement must state the fair market value of the subsidy to the recipient, including the value of conveying property at less than a fair market price, or other in-kind benefits to the recipient.

(c) If a business subsidy benefits more than one recipient, the grantor must assign a proportion of the business subsidy to each recipient that signs a subsidy agreement. The proportion assessed to each recipient must reflect a reasonable estimate of the recipient's share of the total benefits of the project.

(d) The state or local government agency and the recipient must both sign the subsidy agreement and, if the grantor is a local government agency, the agreement must be approved by the local elected governing body, except for the St. Paul Port Authority and a seaway port authority.

(e) Notwithstanding the provision in paragraph (a), clause (6), a recipient may be authorized to move from the jurisdiction where the subsidy is used within the five-year period after the benefit date if, after a public hearing, the grantor approves the recipient's request to move. For the purpose of this paragraph, if the grantor is a state government agency other than the Department of Iron Range Resources and Rehabilitation Board, "jurisdiction" means a city or township.

Sec. 12. Minnesota Statutes 2016, section 116J.994, subdivision 5, is amended to read:

Subd. 5. **Public notice and hearing.** (a) Before granting a business subsidy that exceeds \$500,000 for a state government grantor and \$150,000 for a local government grantor, the grantor must provide public notice and a hearing on the subsidy. A public hearing and notice under this subdivision is not required if a hearing and notice on the subsidy is otherwise required by law.

(b) Public notice of a proposed business subsidy under this subdivision by a state government grantor, other than the commissioner of Iron Range resources and rehabilitation Board, must be published in the State Register. Public notice of a proposed business subsidy under this subdivision by a local government grantor or the commissioner of Iron Range resources and rehabilitation Board must be published in a local newspaper of general circulation. The public notice must identify the location at which information about the business subsidy, including a summary of the terms of the subsidy, is available. Published notice should be sufficiently conspicuous in size and placement to distinguish the notice from the surrounding text. The grantor must make the information available in printed paper copies and, if possible, on the Internet. The government agency must provide at least a ten-day notice for the public hearing.

(c) The public notice must include the date, time, and place of the hearing.

(d) The public hearing by a state government grantor other than the commissioner of Iron Range resources and rehabilitation Board must be held in St. Paul.

(e) If more than one nonstate grantor provides a business subsidy to the same recipient, the nonstate grantors may designate one nonstate grantor to hold a single public hearing regarding the business subsidies provided by all nonstate grantors. For the purposes of this paragraph, "nonstate grantor" includes the commissioner of Iron Range resources and rehabilitation Board.

(f) The public notice of any public meeting about a business subsidy agreement, including those required by this subdivision and by subdivision 4, must include notice that a person with residence in or the owner of taxable property in the granting jurisdiction may file a written complaint with the grantor if the grantor fails to comply with sections 116J.993 to 116J.995, and that no action may be filed against the grantor for the failure to comply unless a written complaint is filed.

Sec. 13. Minnesota Statutes 2016, section 116J.994, subdivision 7, is amended to read:

Subd. 7. **Reports by recipients to grantors.** (a) A business subsidy grantor must monitor the progress by the recipient in achieving agreement goals.

(b) A recipient must provide information regarding goals and results for two years after the benefit date or until the goals are met, whichever is later. If the goals are not met, the recipient must continue to provide information on the subsidy until the subsidy is repaid. The information must be filed on forms developed by the commissioner in cooperation with representatives of local government. Copies of the completed forms must be sent to the local government agency that provided the subsidy or to the commissioner if the grantor is a state agency. If the commissioner of Iron Range resources and rehabilitation Board is the grantor, the copies must be sent to the board. The report must include:

(1) the type, public purpose, and amount of subsidies and type of district, if the subsidy is tax increment financing;

(2) the hourly wage of each job created with separate bands of wages;

(3) the sum of the hourly wages and cost of health insurance provided by the employer with separate bands of wages;

(4) the date the job and wage goals will be reached;

(5) a statement of goals identified in the subsidy agreement and an update on achievement of those goals;

(6) the location of the recipient prior to receiving the business subsidy;

(7) the number of employees who ceased to be employed by the recipient when the recipient relocated to become eligible for the business subsidy;

(8) why the recipient did not complete the project outlined in the subsidy agreement at their previous location, if the recipient was previously located at another site in Minnesota;

(9) the name and address of the parent corporation of the recipient, if any;

(10) a list of all financial assistance by all grantors for the project; and

(11) other information the commissioner may request.



A report must be filed no later than March 1 of each year for the previous year. The local agency and the commissioner of Iron Range resources and rehabilitation Board must forward copies of the reports received by recipients to the commissioner by April 1.

(c) Financial assistance that is excluded from the definition of "business subsidy" by section 116J.993, subdivision 3, clauses (4), (5), (8), and (16), is subject to the reporting requirements of this subdivision, except that the report of the recipient must include instead:

(1) the type, public purpose, and amount of the financial assistance, and type of district if the assistance is tax increment financing;

(2) progress towards meeting goals stated in the assistance agreement and the public purpose of the assistance;

(3) if the agreement includes job creation, the hourly wage of each job created with separate bands of wages;

(4) if the agreement includes job creation, the sum of the hourly wages and cost of health insurance provided by the employer with separate bands of wages;

(5) the location of the recipient prior to receiving the assistance; and

(6) other information the grantor requests.

(d) If the recipient does not submit its report, the local government agency must mail the recipient a warning within one week of the required filing date. If, after 14 days of the postmarked date of the warning, the recipient fails to provide a report, the recipient must pay to the grantor a penalty of \$100 for each subsequent day until the report is filed. The maximum penalty shall not exceed \$1,000.

Sec. 14. Minnesota Statutes 2016, section 216B.161, subdivision 1, is amended to read:

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

(b) "Area development rate" means a rate schedule established by a utility that provides customers within an area development zone service under a base utility rate schedule, except that charges may be reduced from the base rate as agreed upon by the utility and the customer consistent with this section.

(c) "Area development zone" means a contiguous or noncontiguous area designated by an authority or municipality for development or redevelopment and within which one of the following conditions exists:

(1) obsolete buildings not suitable for improvement or conversion or other identified hazards to the health, safety, and general well-being of the community;

(2) buildings in need of substantial rehabilitation or in substandard condition; or

(3) low values and damaged investments.

(d) "Authority" means a rural development financing authority established under sections 469.142 to 469.151; a housing and redevelopment authority established under sections 469.001 to 469.047; a port authority established under sections 469.048 to 469.068; an economic development authority established under sections 469.090 to 469.108; a redevelopment agency as defined in sections 469.152 to 469.165; the commissioner of Iron Range resources and rehabilitation Board established under section 298.22; a municipality that is administering a

development district created under sections 469.124 to 469.133 or any special law; a municipality that undertakes a project under sections 469.152 to 469.165, except a town located outside the metropolitan area as defined in section 473.121, subdivision 2, or with a population of 5,000 persons or less; or a municipality that exercises the powers of a port authority under any general or special law.

(e) "Municipality" means a city, however organized, and, with respect to a project undertaken under sections 469.152 to 469.165, "municipality" has the meaning given in sections 469.152 to 469.165, and, with respect to a project undertaken under sections 469.142 to 469.151 or a county or multicounty project undertaken under sections 469.004 to 469.008, also includes any county.

Sec. 15. Minnesota Statutes 2016, section 216B.1694, subdivision 1, is amended to read:

Subdivision 1. **Definition.** For the purposes of this section, the term "innovative energy project" means a proposed energy-generation facility or group of facilities which may be located on up to three sites:

(1) that makes use of an innovative generation technology utilizing coal as a primary fuel in a highly efficient combined-cycle configuration with significantly reduced sulfur dioxide, nitrogen oxide, particulate, and mercury emissions from those of traditional technologies;

(2) that the project developer or owner certifies is a project capable of offering a long-term supply contract at a hedged, predictable cost; and

(3) that is designated by the commissioner of ~~the~~ Iron Range resources and rehabilitation ~~Board~~ as a project that is located in the taconite tax relief area on a site that has substantial real property with adequate infrastructure to support new or expanded development and that has received prior financial and other support from the board.

Sec. 16. Minnesota Statutes 2016, section 276A.01, subdivision 8, is amended to read:

Subd. 8. **Municipality.** "Municipality" means a city, town, or township located in whole or part within the area. If a municipality is located partly within and partly without the area, the references in sections 276A.01 to 276A.09 to property or any portion thereof subject to taxation or taxing jurisdiction within the municipality are to the property or portion thereof that is located in that portion of the municipality within the area, except that the fiscal capacity of the municipality must be computed upon the basis of the valuation and population of the entire municipality. A municipality shall be excluded from the area if its municipal comprehensive zoning and planning policies conscientiously exclude most commercial-industrial development, for reasons other than preserving an agricultural use. The commissioner of Iron Range resources and rehabilitation ~~Board~~ and the commissioner of revenue shall jointly make this determination annually and shall notify those municipalities that are ineligible to participate in the tax base sharing program provided in this chapter for the following year. Before making the determination, the commissioner of Iron Range resources and rehabilitation must consult the Legislative Commission on Iron Range Resources and Rehabilitation.

Sec. 17. Minnesota Statutes 2016, section 276A.01, subdivision 17, is amended to read:

Subd. 17. **School fund allocation.** (a) "School fund allocation" means an amount up to 25 percent of the areawide levy certified by the commissioner of Iron Range resources and rehabilitation ~~Board~~, after consultation with the Legislative Commission on Iron Range Resources and Rehabilitation, to be used for the purposes of the Iron Range school consolidation and cooperatively operated school account under section 298.28, subdivision 7a.

(b) The allocation under paragraph (a) shall only be made after the commissioner of Iron Range resources and rehabilitation ~~Board~~, after consultation with the Legislative Commission on Iron Range Resources and Rehabilitation, has certified by June 30 that the Iron Range school consolidation and cooperatively operated account has insufficient funds to make payments as authorized under section 298.28, subdivision 7a.

Sec. 18. Minnesota Statutes 2016, section 276A.06, subdivision 8, is amended to read:

Subd. 8. **Certification of values; payment.** The administrative auditor shall determine for each county the difference between the total levy on distribution value pursuant to subdivision 3, clause (1), including the school fund allocation within the county and the total tax on contribution value pursuant to subdivision 7, within the county. On or before May 16 of each year, the administrative auditor shall certify the differences so determined and the county's portion of the school fund allocation to each county auditor. In addition, the administrative auditor shall certify to those county auditors for whose county the total tax on contribution value exceeds the total levy on distribution value the settlement the county is to make to the other counties of the excess of the total tax on contribution value over the total levy on distribution value in the county. On or before June 15 and November 15 of each year, each county treasurer in a county having a total tax on contribution value in excess of the total levy on distribution value shall pay one-half of the excess to the other counties in accordance with the administrative auditor's certification. On or before June 15 and November 15 of each year, each county treasurer shall pay to the administrative auditor that county's share of the school fund allocation. On or before December 1 of each year, the administrative auditor shall pay the school fund allocation to the commissioner of Iron Range resources and rehabilitation Board for deposit in the Iron Range school consolidation and cooperatively operated account.

Sec. 19. Minnesota Statutes 2016, section 282.38, subdivision 1, is amended to read:

Subdivision 1. **Development.** In any county where the county board by proper resolution sets aside funds for forest development pursuant to section 282.08, clause (5), item (i), or section 459.06, subdivision 2, the commissioner of Iron Range resources and rehabilitation ~~with the approval of the board, after consultation with the~~ Legislative Commission on Iron Range Resources and Rehabilitation, may upon request of the county board assist said county in carrying out any project for the long range development of its forest resources through matching of funds or otherwise.

Sec. 20. Minnesota Statutes 2016, section 282.38, subdivision 3, is amended to read:

Subd. 3. **Not to affect commissioner of Iron Range resources and rehabilitation.** Nothing herein shall be construed to limit or abrogate the authority of the commissioner of Iron Range resources and rehabilitation to give temporary assistance to any county in the development of its land use program.

Sec. 21. Minnesota Statutes 2016, section 298.001, subdivision 8, is amended to read:

Subd. 8. **Commissioner.** "Commissioner" means the commissioner of revenue of the state of Minnesota, except that when used in sections 298.22 to 298.227 and 298.291 to 298.298, "commissioner" means the commissioner of Iron Range resources and rehabilitation.

Sec. 22. Minnesota Statutes 2016, section 298.001, is amended by adding a subdivision to read:

Subd. 11. **Commission.** "Commission" means the Legislative Commission on Iron Range Resources and Rehabilitation, as established under section 298.22.

Sec. 23. Minnesota Statutes 2016, section 298.018, subdivision 1, is amended to read:

Subdivision 1. **Within taconite assistance area.** The proceeds of the tax paid under sections 298.015 and 298.016 on ores, metals, or minerals mined or extracted within the taconite assistance area defined in section 273.1341, shall be allocated as follows:

(1) five percent to the city or town within which the minerals or energy resources are mined or extracted, or within which the concentrate was produced. If the mining and concentration, or different steps in either process, are carried on in more than one taxing district, the commissioner shall apportion equitably the proceeds among the cities

and towns by attributing 50 percent of the proceeds of the tax to the operation of mining or extraction, and the remainder to the concentrating plant and to the processes of concentration, and with respect to each thereof giving due consideration to the relative extent of the respective operations performed in each taxing district;

(2) ten percent to the taconite municipal aid account to be distributed as provided in section 298.282;

(3) ten percent to the school district within which the minerals or energy resources are mined or extracted, or within which the concentrate was produced. If the mining and concentration, or different steps in either process, are carried on in more than one school district, distribution among the school districts must be based on the apportionment formula prescribed in clause (1);

(4) 20 percent to a group of school districts comprised of those school districts wherein the mineral or energy resource was mined or extracted or in which there is a qualifying municipality as defined by section 273.134, paragraph (b), in direct proportion to school district indexes as follows: for each school district, its pupil units determined under section 126C.05 for the prior school year shall be multiplied by the ratio of the average adjusted net tax capacity per pupil unit for school districts receiving aid under this clause as calculated pursuant to chapters 122A, 126C, and 127A for the school year ending prior to distribution to the adjusted net tax capacity per pupil unit of the district. Each district shall receive that portion of the distribution which its index bears to the sum of the indices for all school districts that receive the distributions;

(5) 20 percent to the county within which the minerals or energy resources are mined or extracted, or within which the concentrate was produced. If the mining and concentration, or different steps in either process, are carried on in more than one county, distribution among the counties must be based on the apportionment formula prescribed in clause (1), provided that any county receiving distributions under this clause shall pay one percent of its proceeds to the Range Association of Municipalities and Schools;

(6) 20 percent to St. Louis County acting as the counties' fiscal agent to be distributed as provided in sections 273.134 to 273.136;

(7) five percent to the commissioner of Iron Range resources and rehabilitation ~~Board~~ for the purposes of section 298.22;

(8) three percent to the Douglas J. Johnson economic protection trust fund; and

(9) seven percent to the taconite environmental protection fund.

The proceeds of the tax shall be distributed on July 15 each year.

Sec. 24. Minnesota Statutes 2016, section 298.17, is amended to read:

**298.17 OCCUPATION TAXES TO BE APPORTIONED.**

(a) All occupation taxes paid by persons, copartnerships, companies, joint stock companies, corporations, and associations, however or for whatever purpose organized, engaged in the business of mining or producing iron ore or other ores, when collected shall be apportioned and distributed in accordance with the Constitution of the state of Minnesota, article X, section 3, in the manner following: 90 percent shall be deposited in the state treasury and credited to the general fund of which four-ninths shall be used for the support of elementary and secondary schools; and ten percent of the proceeds of the tax imposed by this section shall be deposited in the state treasury and credited to the general fund for the general support of the university.

(b) Of the money apportioned to the general fund by this section: (1) there is annually appropriated and credited to the mining environmental and regulatory account in the special revenue fund an amount equal to that which would have been generated by a 2-1/2 cent tax imposed by section 298.24 on each taxable ton produced in the preceding calendar year. Money in the mining environmental and regulatory account is appropriated annually to the commissioner of natural resources to fund agency staff to work on environmental issues and provide regulatory services for ferrous and nonferrous mining operations in this state. Payment to the mining environmental and regulatory account shall be made by July 1 annually. The commissioner of natural resources shall execute an interagency agreement with the Pollution Control Agency to assist with the provision of environmental regulatory services such as monitoring and permitting required for ferrous and nonferrous mining operations; (2) there is annually appropriated and credited to the Iron Range resources and rehabilitation ~~Board~~ account in the special revenue fund an amount equal to that which would have been generated by a 1.5 cent tax imposed by section 298.24 on each taxable ton produced in the preceding calendar year, to be expended for the purposes of section 298.22; and (3) there is annually appropriated and credited to the Iron Range resources and rehabilitation ~~Board~~ account in the special revenue fund for transfer to the Iron Range school consolidation and cooperatively operated school account under section 298.28, subdivision 7a, an amount equal to that which would have been generated by a six cent tax imposed by section 298.24 on each taxable ton produced in the preceding calendar year. Payment to the Iron Range resources and rehabilitation ~~Board~~ account shall be made by May 15 annually.

(c) The money appropriated pursuant to paragraph (b), clause (2), shall be used (i) to provide environmental development grants to local governments located within any county in region 3 as defined in governor's executive order number 60, issued on June 12, 1970, which does not contain a municipality qualifying pursuant to section 273.134, paragraph (b), or (ii) to provide economic development loans or grants to businesses located within any such county, provided that the county board or an advisory group appointed by the county board to provide recommendations on economic development shall make recommendations to the commissioner of Iron Range resources and rehabilitation ~~Board~~ regarding the loans. Payment to the Iron Range resources and rehabilitation ~~Board~~ account shall be made by May 15 annually.

(d) Of the money allocated to Koochiching County, one-third must be paid to the Koochiching County Economic Development Commission.

Sec. 25. Minnesota Statutes 2016, section 298.22, subdivision 1, is amended to read:

Subdivision 1. ~~The Office of Commissioner~~ Department of Iron Range Resources and Rehabilitation. (a) The ~~Office of the Commissioner~~ Department of Iron Range Resources and Rehabilitation is created as an agency in the executive branch of state government. The governor shall appoint the commissioner of Iron Range resources and rehabilitation under section 15.06.

(b) The commissioner may hold other positions or appointments that are not incompatible with duties as commissioner of Iron Range resources and rehabilitation. The commissioner may appoint a deputy commissioner. All expenses of the commissioner, including the payment of staff and other assistance as may be necessary, must be paid out of the amounts appropriated by section 298.28 or otherwise made available by law to the commissioner. Notwithstanding chapters 16A, 16B, and 16C, the commissioner may utilize contracting options available under section 471.345 when the commissioner determines it is in the best interest of the agency. The agency is not subject to sections 16E.016 and 16C.05.

(c) When the commissioner determines that distress and unemployment exists or may exist in the future in any county by reason of the removal of natural resources or a possibly limited use of natural resources in the future and any resulting decrease in employment, the commissioner may use whatever amounts of the appropriation made to the commissioner of revenue in section 298.28 that are determined to be necessary and proper in the development of the remaining resources of the county and in the vocational training and rehabilitation of its residents, ~~except that the amount needed to cover cost overruns awarded to a contractor by an arbitrator in relation to a contract awarded by the commissioner or in effect after July 1, 1985, is appropriated from the general fund.~~ For the purposes of this section, "development of remaining resources" includes, but is not limited to, the promotion of tourism.

(d) The commissioner shall annually submit a budget proposal to the Legislative Commission on Iron Range Resources and Rehabilitation. The commission must review and make recommendations on the commissioner's budget proposal and the governor must approve the commissioner's budget proposal as provided in subdivisions 1b, 1c, and 11. This paragraph applies to transfers and expenditures from the following funds or accounts:

(1) the taconite area environmental protection fund under section 298.223, including grants under section 298.2961;

(2) the Douglas J. Johnson economic protection trust fund under sections 298.291 to 298.298, including grants under section 298.2961;

(3) the Iron Range resources and rehabilitation account in the special revenue fund;

(4) the Iron Range school consolidation and cooperatively operated school account under section 298.28, subdivision 7a, except as provided under paragraph (f);

(5) the Minnesota 21st century fund match requirements under section 116J.424; and

(6) the Iron Range higher education account under section 298.28, subdivision 9d.

(e) Paragraph (d) does not apply to expenditures for:

(1) the commissioner's obligations under sections 298.221; 298.2211, subdivision 4; 298.225, subdivision 2; and 298.292, subdivision 2, clause (3);

(2) payments of amounts authorized under section 298.28, subdivisions 2, 3, 4, 5, 6, 7a, clause (4), and 9a; or

(3) other expenditures required to pay bonds or binding contracts entered into prior to the effective date of this section.

Sec. 26. Minnesota Statutes 2016, section 298.22, subdivision 1a, is amended to read:

Subd. 1a. **Legislative Commission on Iron Range Resources and Rehabilitation Board.** (a) The Legislative Commission on Iron Range Resources and Rehabilitation Board is created in the legislative branch. The commissioner shall consult the commission before making expenditures or undertaking projects authorized under this chapter. The commission consists of the state senators and representatives elected from state senatorial or legislative districts in which one-third or more of the residents reside in a taconite assistance area as defined in section 273.1341. One additional state senator shall also be appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration. All expenditures and projects made by the commissioner shall first be submitted to the board for approval. The expenses of the board shall be paid by the state from the funds raised pursuant to this section. Members of the board may be reimbursed for expenses in the manner provided in sections 3.099, subdivision 1, and 3.101, and may receive per diem payments during the interims between legislative sessions in the manner provided in section 3.099, subdivision 1.

~~The members shall be appointed in January of every odd-numbered year, and shall serve until January of the next odd-numbered year. Vacancies on the board shall be filled in the same manner as original members were chosen.~~

(b) The most senior legislator will serve as temporary chair for the purposes of convening the first meeting, at which members shall develop procedures to elect a chair. The chair shall preside and convene meetings as often as necessary to conduct duties prescribed by this chapter. The commission must meet at least quarterly to review the actions of the commissioner.

(c) The appointed legislative member shall serve on the commission for a two-year term, beginning January 1 of each odd-numbered year. The appointed legislative member serves until their successor is appointed and qualified.

**EFFECTIVE DATE.** This section is effective the day following final enactment. The additional state senator shall be appointed under this section no later than July 1, 2018.

Sec. 27. Minnesota Statutes 2016, section 298.22, is amended by adding a subdivision to read:

**Subd. 1b. Evaluation of proposed budgets and projects.** (a) In evaluating budgets proposed by the commissioner, the commission must consider factors including but not limited to the extent to which the proposed budget:

(1) contributes to increasing the effectiveness of promoting or managing Iron Range economic and workforce development, community development, minerals and natural resources development, and any other issue as determined by the commission; and

(2) advances the strategic plan adopted under subdivision 1c.

(b) In evaluating projects proposed by the commissioner, the commission must consider factors including but not limited to:

(1) whether, and the extent to which, an applicant could complete the proposed project without funding from the commissioner;

(2) job creation or retention goals for the proposed project, including but not limited to wages and benefits; whether the jobs created are full time, part time, temporary, or permanent; and whether the stated job creation or retention goals in the proposal can be adequately measured using methods established by the commissioner;

(3) how and to what extent the proposed project is expected to impact the economic climate of the Iron Range resources and rehabilitation services area;

(4) how the proposed project would meet match requirements, if any; and

(5) whether the proposed project meets the written objectives, priorities, and policies established by the commissioner.

Sec. 28. Minnesota Statutes 2016, section 298.22, is amended by adding a subdivision to read:

**Subd. 1c. Strategic plan required.** The commissioner, in consultation with the commission, shall adopt a strategic plan for making expenditures including identifying the priority areas for funding for the next six years. The strategic plan must be reviewed every two years. The strategic plan must have clearly stated short- and long-term goals and strategies for expenditures, provide measurable outcomes for expenditures, and determine areas of emphasis for funding.

Sec. 29. Minnesota Statutes 2016, section 298.22, is amended by adding a subdivision to read:

**Subd. 1e. Administrative and staff assistance.** The Legislative Coordinating Commission shall provide administrative and staff support to the commission. The commissioner shall provide additional information and research assistance to the commission, as requested by the commission.

Sec. 30. Minnesota Statutes 2016, section 298.22, is amended by adding a subdivision to read:

Subd. 1f. **Expenses of the commission.** All expenses of the commission, including the payment of per diems and expenses under subdivision 1a must be paid out of the amounts appropriated by section 298.28 or otherwise made available by law to the commissioner.

Sec. 31. Minnesota Statutes 2016, section 298.22, subdivision 5a, is amended to read:

Subd. 5a. **Forest trust.** The commissioner, ~~upon approval by the board~~ after consultation with the commission, may purchase forest lands in the taconite assistance area defined in under section 273.1341 with funds specifically authorized for the purchase. The acquired forest lands must be held in trust for the benefit of the citizens of the taconite assistance area as the Iron Range Miners' Memorial Forest. The forest trust lands shall be managed and developed for recreation and economic development purposes. The commissioner, ~~upon approval by the board~~ after consultation with the commission, may sell forest lands purchased under this subdivision if the ~~board finds~~ commissioner determines that the sale advances the purposes of the trust. Proceeds derived from the management or sale of the lands and from the sale of timber or removal of gravel or other minerals from these forest lands shall be deposited into an Iron Range Miners' Memorial Forest account that is established within the state financial accounts. Funds may be expended from the account ~~upon approval by the board~~ by the commissioner, after consultation with the commission, to purchase, manage, administer, convey interests in, and improve the forest lands. ~~With approval by the board,~~ After consultation with the commission, the commissioner may transfer money in the Iron Range Miners' Memorial Forest account ~~may be transferred~~ into the corpus of the Douglas J. Johnson economic protection trust fund established under sections 298.291 to 298.294. The property acquired under the authority granted by this subdivision and income derived from the property or the operation or management of the property are exempt from taxation by the state or its political subdivisions while held by the forest trust. The commissioner's actions under this subdivision must at all times comply with the requirements for expenditures under subdivisions 1, 1b, 1c, and 11.

Sec. 32. Minnesota Statutes 2016, section 298.22, subdivision 6, is amended to read:

Subd. 6. **Private entity participation.** The ~~board~~ commissioner, after consultation with the commission, may acquire an equity interest in any project for which ~~the commissioner~~ provides funding. The commissioner may, after consultation with the commission, establish, participate in the management of, and dispose of the assets of charitable foundations, nonprofit limited liability companies, and nonprofit corporations associated with any project for which ~~the commissioner~~ provides funding, including specifically, but without limitation, a corporation within the meaning of section 317A.011, subdivision 6. The commissioner's actions under this subdivision must at all times comply with the requirements for expenditures under subdivisions 1, 1b, 1c, and 11.

Sec. 33. Minnesota Statutes 2016, section 298.22, subdivision 10, is amended to read:

Subd. 10. **Sale or privatization of functions.** The commissioner of Iron Range resources and rehabilitation may not sell or privatize the Ironworld Discovery Center or Giants Ridge Golf and Ski Resort without prior approval by the board first seeking the recommendation of the commission.

Sec. 34. Minnesota Statutes 2016, section 298.22, subdivision 11, is amended to read:

Subd. 11. **Budgeting.** The commissioner of Iron Range resources and rehabilitation shall annually prepare a budget for operational expenditures, programs, and projects, and submit it to the ~~Iron Range Resources and Rehabilitation Board~~ commission. After the commission has been consulted, its recommendations and the commissioner's budget shall be submitted to the governor. Once the budget is approved by the board and the governor, the commissioner may spend money in accordance with the approved budget. If unanticipated needs for



funds arise outside of the annual budget process, the commissioner must consult the commission and receive the governor's approval before spending the funds. In addition, the commissioner must submit annual budget reports through the Minnesota Management and Budget system.

Sec. 35. Minnesota Statutes 2016, section 298.22, is amended by adding a subdivision to read:

Subd. 13. **Grants and loans; requirements.** (a) Prior to awarding any grants or approving loans from any fund or account from which the commissioner has the authority under law to expend money, the commissioner must evaluate applications based on criteria including, but not limited to:

(1) whether, and the extent to which, an applicant could complete a project without funding from the commissioner;

(2) job creation or retention goals for the project, including but not limited to wages and benefits, and whether the jobs created are full time, part time, temporary, or permanent;

(3) whether the applicant's stated job creation or retention goals can be adequately measured using methods established by the commissioner;

(4) how and to what extent the project proposed by the applicant is expected to impact the economic climate of the Iron Range resources and rehabilitation services area;

(5) how the applicant would meet match requirements, if any; and

(6) whether the project for which a grant or loan application has been submitted meets the written objectives, priorities, and policies established by the commissioner.

(b) The commissioner, if appropriate, must include incentives in loan and grant award agreements to promote and assist grant recipients in achieving the stated job creation and retention objectives established by the commissioner.

(c) For all loans and grants awarded from funds under the commissioner's authority pursuant to this chapter, the commissioner must:

(1) create and maintain a database for tracking loan and grant awards;

(2) create and maintain an objective mechanism for measuring job creation and retention;

(3) verify achievement of job creation and retention goals by grant and loan recipients;

(4) monitor grant and loan awards to ensure that projects comply with applicable Iron Range resources and rehabilitation policies; and

(5) verify that grant or loan recipients have met applicable matching fund requirements.

Sec. 36. Minnesota Statutes 2016, section 298.22, is amended by adding a subdivision to read:

Subd. 14. **Expenditures; taconite assistance area.** Expenditures subject to the requirements of this section may be expended only within or for the benefit of the taconite assistance area defined in section 273.1341.

Sec. 37. Minnesota Statutes 2016, section 298.22, is amended by adding a subdivision to read:

Subd. 15. **Reports to the legislature.** The commissioner shall submit to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over economic development policy:

(1) an annual report of expenditures under this section; and

(2) an immediate report of any loan or grant of \$1,000,000 or more made by the commissioner.

Sec. 38. Minnesota Statutes 2016, section 298.221, is amended to read:

**298.221 RECEIPTS FROM CONTRACTS; APPROPRIATION.**

(a) Except as provided in paragraph (c), all money paid to the state of Minnesota pursuant to the terms of any contract entered into by the state under authority of section 298.22 and any fees which may, in the discretion of the commissioner of Iron Range resources and rehabilitation, be charged in connection with any project pursuant to that section as amended, shall be deposited in the state treasury to the credit of the Iron Range resources and rehabilitation ~~Board~~ account in the special revenue fund and are hereby appropriated for the purposes of section 298.22.

(b) Notwithstanding section 16A.013, merchandise may be accepted by the commissioner of the Iron Range resources and rehabilitation ~~Board~~ for payment of advertising contracts if the commissioner determines that the merchandise can be used for special event prizes or mementos at facilities operated by the ~~board~~ commissioner. Nothing in this paragraph authorizes the commissioner or a member of the ~~board~~ commission to receive merchandise for personal use.

(c) All fees charged by the commissioner in connection with public use of the state-owned ski and golf facilities at the Giants Ridge Recreation Area and all other revenues derived by the commissioner from the operation or lease of those facilities and from the lease, sale, or other disposition of undeveloped lands at the Giants Ridge Recreation Area must be deposited into an Iron Range resources and rehabilitation ~~Board~~ account that is created within the state enterprise fund. All funds deposited in the enterprise fund account are appropriated to the commissioner ~~to be expended, subject to approval by the board, and may only be used,~~ as follows:

(1) to pay costs associated with the construction, equipping, operation, repair, or improvement of the Giants Ridge Recreation Area facilities or lands;

(2) to pay principal, interest and associated bond issuance, reserve, and servicing costs associated with the financing of the facilities; and

(3) to pay the costs of any other project authorized under section 298.22.

Sec. 39. Minnesota Statutes 2016, section 298.2211, subdivision 3, is amended to read:

~~Subd. 3. **Project approval.** All projects authorized by this section shall be submitted by the commissioner to the Iron Range Resources and Rehabilitation Board for approval by the board. To get approval of a project under this section, the commissioner must comply with all the requirements for expenditures under section 298.22. Prior to the commencement of a project involving the exercise by the commissioner of any authority of sections 469.174 to 469.179, the governing body of each municipality in which any part of the project is located and the county board of any county containing portions of the project not located in an incorporated area shall by majority vote approve or disapprove the project. Any project approved by the board and the applicable governing bodies, if any, together with detailed information concerning the project, its costs, the sources of its funding, and the amount of any bonded~~

~~indebtedness to be incurred in connection with the project, shall be transmitted to the governor, who shall approve, disapprove, or return the proposal for additional consideration within 30 days of receipt. No project authorized under this section shall be undertaken, and no obligations shall be issued and no tax increments shall be expended for a project authorized under this section until the project has been approved by the governor.~~

Sec. 40. Minnesota Statutes 2016, section 298.2211, subdivision 6, is amended to read:

Subd. 6. **Fee setting.** Fees for admission to or use of facilities operated by the commissioner of Iron Range resources and rehabilitation ~~Board~~ that have been established according to prevailing market conditions and to recover operating costs need not be set by rule.

Sec. 41. Minnesota Statutes 2016, section 298.2212, is amended to read:

#### **298.2212 INVESTMENT OF FUNDS.**

All funds credited to the Iron Range resources and rehabilitation ~~Board~~ account in the special revenue fund for the purposes of section 298.22 must be invested pursuant to law. The net interest and dividends from the investments are included and become part of the funds available for purposes of section 298.22.

Sec. 42. Minnesota Statutes 2016, section 298.2214, subdivision 2, is amended to read:

Subd. 2. **Iron Range Higher Education Committee; membership.** The members of the committee shall consist of:

- (1) one member appointed by the governor;
- (2) one member appointed by the president of the University of Minnesota;
- (3) four members of the Legislative Commission on Iron Range Resources and Rehabilitation ~~Board~~ appointed by the chair;
- (4) the commissioner of Iron Range resources and rehabilitation; and
- (5) the president of the Northeast Higher Education District or its successor.

Sec. 43. Minnesota Statutes 2016, section 298.223, is amended to read:

#### **298.223 TACONITE AREA ENVIRONMENTAL PROTECTION FUND.**

Subdivision 1. **Creation; purposes.** A fund called the taconite environmental protection fund is created for the purpose of reclaiming, restoring and enhancing those areas of northeast Minnesota located within the taconite assistance area defined in section 273.1341, that are adversely affected by the environmentally damaging operations involved in mining taconite and iron ore and producing iron ore concentrate and for the purpose of promoting the economic development of northeast Minnesota. The taconite environmental protection fund shall be used for the following purposes:

- (1) to initiate investigations into matters the commissioner of Iron Range resources and rehabilitation ~~Board~~ determines are in need of study and which will determine the environmental problems requiring remedial action;
- (2) reclamation, restoration, or reforestation of mine lands not otherwise provided for by state law;

(3) local economic development projects ~~but only if those projects are approved by the board~~, and public works, including construction of sewer and water systems located within the taconite assistance area defined in section 273.1341;

(4) monitoring of mineral industry related health problems among mining employees; and

(5) local public works projects under section 298.227, paragraph (c).

Subd. 2. **Administration.** ~~(a) The taconite area environmental protection fund shall be administered by the commissioner of the Iron Range resources and rehabilitation Board. The commissioner shall by September 1 of each year submit to the board a list of projects to be funded from the taconite area environmental protection fund, with such supporting information including description of the projects, plans, and cost estimates as may be necessary. in compliance with the requirements for expenditures under section 298.22.~~

~~(b) Each year no less than one half of the amounts deposited into the taconite environmental protection fund must be used for public works projects, including construction of sewer and water systems, as specified under subdivision 1, clause (3). The Iron Range Resources and Rehabilitation Board may waive the requirements of this paragraph.~~

~~(c) Upon approval by the board, the list of projects approved under this subdivision shall be submitted to the governor by November 1 of each year. By December 1 of each year, the governor shall approve or disapprove, or return for further consideration, each project. Funds for a project may be expended only upon approval of the project by the board and the governor. The commissioner may submit supplemental projects to the board and governor for approval at any time.~~

Subd. 3. **Appropriation.** There is annually appropriated to the commissioner of Iron Range resources and rehabilitation taconite area environmental protection funds necessary to carry out approved projects and programs and the funds necessary for administration of this section. Annual administrative costs, not including detailed engineering expenses for the projects, shall not exceed five percent of the amount annually expended from the fund.

Funds for the purposes of this section are provided by section 298.28, subdivision 11, relating to the taconite area environmental protection fund.

Sec. 44. Minnesota Statutes 2016, section 298.227, is amended to read:

#### **298.227 TACONITE ECONOMIC DEVELOPMENT FUND.**

(a) An amount equal to that distributed pursuant to each taconite producer's taxable production and qualifying sales under section 298.28, subdivision 9a, shall be held by the commissioner of Iron Range resources and rehabilitation ~~Board~~ in a separate taconite economic development fund for each taconite and direct reduced ore producer. Money from the fund for each producer shall be released by the commissioner after review by a joint committee consisting of an equal number of representatives of the salaried employees and the nonsalaried production and maintenance employees of that producer. The District 11 director of the United States Steelworkers of America, on advice of each local employee president, shall select the employee members. In nonorganized operations, the employee committee shall be elected by the nonsalaried production and maintenance employees. The review must be completed no later than six months after the producer presents a proposal for expenditure of the funds to the committee. The funds held pursuant to this section may be released only for workforce development and associated public facility improvement, or for acquisition of plant and stationary mining equipment and facilities for the producer or for research and development in Minnesota on new mining, or taconite, iron, or steel production technology, but only if the producer provides a matching expenditure equal to the amount of the distribution to be used for the same purpose beginning with distributions in 2014. Effective for proposals for expenditures of money

from the fund beginning May 26, 2007, the commissioner may not release the funds before the next scheduled meeting of the board. If a proposed expenditure is not approved ~~by the board under the requirements for expenditures under section 298.22~~, the funds must be deposited in the Taconite Environmental Protection Fund under sections 298.222 to 298.225. ~~If a producer uses money which has been released from the fund prior to May 26, 2007 to procure haulage trucks, mobile equipment, or mining shovels, and the producer removes the piece of equipment from the taconite tax relief area defined in section 273.134 within ten years from the date of receipt of the money from the fund, a portion of the money granted from the fund must be repaid to the taconite economic development fund. The portion of the money to be repaid is 100 percent of the grant if the equipment is removed from the taconite tax relief area within 12 months after receipt of the money from the fund, declining by ten percent for each of the subsequent nine years during which the equipment remains within the taconite tax relief area. If a taconite production facility is sold after operations at the facility had ceased, any money remaining in the fund for the former producer may be released to the purchaser of the facility on the terms otherwise applicable to the former producer under this section. If a producer fails to provide matching funds for a proposed expenditure within six months after the commissioner approves release of the funds, the funds are available for release to another producer in proportion to the distribution provided and under the conditions of this section. Any portion of the fund which is not released by the commissioner within one year of its deposit in the fund shall be divided between the taconite environmental protection fund created in section 298.223 and the Douglas J. Johnson economic protection trust fund created in section 298.292 for placement in their respective special accounts. Two-thirds of the unreleased funds shall be distributed to the taconite environmental protection fund and one-third to the Douglas J. Johnson economic protection trust fund.~~

~~(b)(i) Notwithstanding the requirements of paragraph (a), setting the amount of distributions and the review process, an amount equal to ten cents per taxable ton of production in 2007, for distribution in 2008 only, that would otherwise be distributed under paragraph (a), may be used for a loan or grant for the cost of providing for a value added wood product facility located in the taconite tax relief area and in a county that contains a city of the first class. This amount must be deducted from the distribution under paragraph (a) for which a matching expenditure by the producer is not required. The granting of the loan or grant is subject to approval by the board. If the money is provided as a loan, interest must be payable on the loan at the rate prescribed in section 298.2213, subdivision 3. (ii) Repayments of the loan and interest, if any, must be deposited in the taconite environment protection fund under sections 298.222 to 298.225. If a loan or grant is not made under this paragraph by July 1, 2012, the amount that had been made available for the loan under this paragraph must be transferred to the taconite environment protection fund under sections 298.222 to 298.225. (iii) Money distributed in 2008 to the fund established under this section that exceeds ten cents per ton is available to qualifying producers under paragraph (a) on a pro rata basis.~~

~~(c) Repayment or transfer of money to the taconite environmental protection fund under paragraph (b), item (ii), must be allocated by the Iron Range resources and rehabilitation Board for public works projects in house legislative districts in the same proportion as taxable tonnage of production in 2007 in each house legislative district, for distribution in 2008, bears to total taxable tonnage of production in 2007, for distribution in 2008. Notwithstanding any other law to the contrary, expenditures under this paragraph do not require approval by the governor. For purposes of this paragraph, "house legislative districts" means the legislative districts in existence on May 15, 2009.~~

Sec. 45. Minnesota Statutes 2016, section 298.27, is amended to read:

#### **298.27 COLLECTION AND PAYMENT OF TAX.**

The taxes provided by section 298.24 shall be paid directly to each eligible county and the commissioner of Iron Range resources and rehabilitation Board. The commissioner of revenue shall notify each producer of the amount to be paid each recipient prior to February 15. Every person subject to taxes imposed by section 298.24 shall file a correct report covering the preceding year. The report must contain the information required by the commissioner of revenue. The report shall be filed by each producer on or before February 1. A remittance equal to 50 percent of

the total tax required to be paid hereunder shall be paid on or before February 24. A remittance equal to the remaining total tax required to be paid hereunder shall be paid on or before August 24. On or before February 25 and August 25, the county auditor shall make distribution of the payments previously received by the county in the manner provided by section 298.28. Reports shall be made and hearings held upon the determination of the tax in accordance with procedures established by the commissioner of revenue. The commissioner of revenue shall have authority to make reasonable rules as to the form and manner of filing reports necessary for the determination of the tax hereunder, and by such rules may require the production of such information as may be reasonably necessary or convenient for the determination and apportionment of the tax. All the provisions of the occupation tax law with reference to the assessment and determination of the occupation tax, including all provisions for appeals from or review of the orders of the commissioner of revenue relative thereto, but not including provisions for refunds, are applicable to the taxes imposed by section 298.24 except in so far as inconsistent herewith. If any person subject to section 298.24 shall fail to make the report provided for in this section at the time and in the manner herein provided, the commissioner of revenue shall in such case, upon information possessed or obtained, ascertain the kind and amount of ore mined or produced and thereon find and determine the amount of the tax due from such person. There shall be added to the amount of tax due a penalty for failure to report on or before February 1, which penalty shall equal ten percent of the tax imposed and be treated as a part thereof.

If any person responsible for making a tax payment at the time and in the manner herein provided fails to do so, there shall be imposed a penalty equal to ten percent of the amount so due, which penalty shall be treated as part of the tax due.

In the case of any underpayment of the tax payment required herein, there may be added and be treated as part of the tax due a penalty equal to ten percent of the amount so underpaid.

A person having a liability of \$120,000 or more during a calendar year must remit all liabilities by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the tax is due. If the date the tax is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the tax is due.

Sec. 46. Minnesota Statutes 2016, section 298.28, subdivision 7, is amended to read:

Subd. 7. **Iron Range resources and rehabilitation ~~Board~~ account.** For the 1998 distribution, 6.5 cents per taxable ton shall be paid to the Iron Range resources and rehabilitation ~~Board~~ account for the purposes of section 298.22. That amount shall be increased for distribution years 1999 through 2014 and for distribution in 2018 and subsequent years in the same proportion as the increase in the implicit price deflator as provided in section 298.24, subdivision 1. The amount distributed pursuant to this subdivision shall be expended within or for the benefit of the taconite assistance area defined in section 273.1341 and in compliance with the requirements for expenditures under section 298.22. ~~No part of the fund provided in this subdivision may be used to provide loans for the operation of private business unless the loan is approved by the governor.~~

Sec. 47. Minnesota Statutes 2016, section 298.28, subdivision 7a, is amended to read:

Subd. 7a. **Iron Range school consolidation and cooperatively operated school account.** (a) The following amounts must be allocated to the Iron Range resources and rehabilitation ~~Board~~ account to be deposited in the Iron Range school consolidation and cooperatively operated school account that is hereby created:

(1)(i) for distributions in 2015 through 2023, ten cents per taxable ton of the tax imposed under section 298.24; and

(ii) for distributions beginning in 2024, five cents per taxable ton of the tax imposed under section 298.24;

(2) the amount as determined under section 298.17, paragraph (b), clause (3);

(3)(i) for distributions in 2015, an amount equal to two-thirds of the increased tax proceeds attributable to the increase in the implicit price deflator as provided in section 298.24, subdivision 1, with the remaining one-third to be distributed to the Douglas J. Johnson economic protection trust fund;

(ii) for distributions in 2016, an amount equal to two-thirds of the sum of the increased tax proceeds attributable to the increase in the implicit price deflator as provided in section 298.24, subdivision 1, for distribution years 2015 and 2016, with the remaining one-third to be distributed to the Douglas J. Johnson economic protection trust fund; and

(iii) for distributions in 2017, an amount equal to two-thirds of the sum of the increased tax proceeds attributable to the increase in the implicit price deflator as provided in section 298.24, subdivision 1, for distribution years 2015, 2016, and 2017, with the remaining one-third to be distributed to the Douglas J. Johnson economic protection trust fund; and

(4) any other amount as provided by law.

(b) Expenditures from this account shall be made only to provide disbursements to assist school districts with the payment of bonds that were issued for qualified school projects, or for any other school disbursement as approved by the commissioner of Iron Range resources and rehabilitation Board, after consultation with the commission. For purposes of this section, "qualified school projects" means school projects within the taconite assistance area as defined in section 273.1341, that were (1) approved, by referendum, after April 3, 2006; and (2) approved by the commissioner of education pursuant to section 123B.71.

(c) Beginning in fiscal year 2019, the disbursement to school districts for payments for bonds issued under section 123A.482, subdivision 9, must be increased each year to offset any reduction in debt service equalization aid that the school district qualifies for in that year, under section 123B.53, subdivision 6, compared with the amount the school district qualified for in fiscal year 2018.

(d) No expenditure under this section shall be made unless ~~approved by seven members of the Iron Range Resources and Rehabilitation Board~~ the commissioner has complied with the requirements for expenditures under section 298.22.

Sec. 48. Minnesota Statutes 2016, section 298.28, subdivision 9c, is amended to read:

Subd. 9c. **Distribution; city of Eveleth.** 0.20 cent per taxable ton must be paid to the city of Eveleth for distribution in 2013 and thereafter, to be used for the support of the Hockey Hall of Fame, provided that it continues to operate in that city, and provided that the city of Eveleth certifies to the St. Louis County auditor that it has received donations for the support of the Hockey Hall of Fame from other donors. If the Hockey Hall of Fame ceases to operate in the city of Eveleth prior to receipt of the distribution in any year, and the governing body of the city determines that it is unlikely to resume operation there within a six-month period, the distribution under this subdivision shall be made to the commissioner of Iron Range resources and rehabilitation Board.

Sec. 49. Minnesota Statutes 2016, section 298.28, subdivision 9d, is amended to read:

Subd. 9d. **Iron Range higher education account.** Five cents per taxable ton must be ~~allocated to the Iron Range Resources and Rehabilitation Board to be~~ deposited in an Iron Range higher education account that is hereby created, to be used for higher education programs conducted at educational institutions in the taconite assistance area defined in section 273.1341. The Iron Range Higher Education committee under section 298.2214, and the commissioner of Iron Range resources and rehabilitation Board, after complying with all the requirements for expenditures under section 298.22, must approve all expenditures from the account.

Sec. 50. Minnesota Statutes 2016, section 298.28, subdivision 11, is amended to read:

Subd. 11. **Remainder.** (a) The proceeds of the tax imposed by section 298.24 which remain after the distributions and payments in subdivisions 2 to 10a, as certified by the commissioner of revenue, and paragraphs (b), (c), and (d) have been made, together with interest earned on all money distributed under this section prior to distribution, shall be divided between the taconite environmental protection fund created in section 298.223 and the Douglas J. Johnson economic protection trust fund created in section 298.292 as follows: Two-thirds to the taconite environmental protection fund and one-third to the Douglas J. Johnson economic protection trust fund. The proceeds shall be placed in the respective special accounts.

(b) There shall be distributed to each city, town, and county the amount that it received under Minnesota Statutes 1978, section 294.26, in calendar year 1977; provided, however, that the amount distributed in 1981 to the unorganized territory number 2 of Lake County and the town of Beaver Bay based on the between-terminal trackage of Erie Mining Company will be distributed in 1982 and subsequent years to the unorganized territory number 2 of Lake County and the towns of Beaver Bay and Stony River based on the miles of track of Erie Mining Company in each taxing district.

(c) There shall be distributed to the Iron Range resources and rehabilitation ~~Board~~ account the amounts it received in 1977 under Minnesota Statutes 1978, section 298.22. The amount distributed under this paragraph shall be expended within or for the benefit of the taconite assistance area defined in section 273.1341.

(d) There shall be distributed to each school district 62 percent of the amount that it received under Minnesota Statutes 1978, section 294.26, in calendar year 1977.

Sec. 51. Minnesota Statutes 2016, section 298.292, subdivision 2, is amended to read:

Subd. 2. **Use of money.** Money in the Douglas J. Johnson economic protection trust fund may be used for the following purposes:

(1) to provide loans, loan guarantees, interest buy-downs and other forms of participation with private sources of financing, but a loan to a private enterprise shall be for a principal amount not to exceed one-half of the cost of the project for which financing is sought, and the rate of interest on a loan to a private enterprise shall be no less than the lesser of eight percent or an interest rate three percentage points less than a full faith and credit obligation of the United States government of comparable maturity, at the time that the loan is approved;

(2) to fund reserve accounts established to secure the payment when due of the principal of and interest on bonds issued pursuant to section 298.2211;

(3) to pay in periodic payments or in a lump-sum payment any or all of the interest on bonds issued pursuant to chapter 474 for the purpose of constructing, converting, or retrofitting heating facilities in connection with district heating systems or systems utilizing alternative energy sources;

(4) to invest in a venture capital fund or enterprise that will provide capital to other entities that are engaging in, or that will engage in, projects or programs that have the purposes set forth in subdivision 1. No investments may be made in a venture capital fund or enterprise unless at least two other unrelated investors make investments of at least \$500,000 in the venture capital fund or enterprise, and the investment by the Douglas J. Johnson economic protection trust fund may not exceed the amount of the largest investment by an unrelated investor in the venture capital fund or enterprise. For purposes of this subdivision, an "unrelated investor" is a person or entity that is not related to the entity in which the investment is made or to any individual who owns more than 40 percent of the value of the entity, in any of the following relationships: spouse, parent, child, sibling, employee, or owner of an interest in the entity that exceeds ten percent of the value of all interests in it. For purposes of determining the



limitations under this clause, the amount of investments made by an investor other than the Douglas J. Johnson economic protection trust fund is the sum of all investments made in the venture capital fund or enterprise during the period beginning one year before the date of the investment by the Douglas J. Johnson economic protection trust fund; and

(5) to purchase forest land in the taconite assistance area defined in section 273.1341 to be held and managed as a public trust for the benefit of the area for the purposes authorized in section 298.22, subdivision 5a. Property purchased under this section may be sold by the commissioner ~~upon approval by the board,~~ after consultation with the commission. The net proceeds must be deposited in the trust fund for the purposes and uses of this section.

Money from the trust fund shall be expended only in or for the benefit of the taconite assistance area defined in section 273.1341.

Sec. 52. Minnesota Statutes 2016, section 298.296, is amended to read:

#### **298.296 OPERATION OF FUND.**

Subdivision 1. **Project approval.** ~~The board and commissioner shall by August 1 of each year prepare a list of projects to be funded from the Douglas J. Johnson economic protection trust with necessary supporting information including description of the projects, plans, and cost estimates must comply with the requirements for expenditures under section 298.22. These Projects shall be consistent with the priorities established in section 298.292 and shall not be approved by the board unless it proposed by the commissioner unless the commissioner finds that:~~

(a) the project will materially assist, directly or indirectly, the creation of additional long-term employment opportunities;

(b) the prospective benefits of the expenditure exceed the anticipated costs; and

(c) in the case of assistance to private enterprise, the project will serve a sound business purpose.

~~Each project must be approved by over one-half of all of the members of the board and the commissioner of Iron Range resources and rehabilitation. The list of projects shall be submitted to the governor, who shall, by November 15 of each year, approve or disapprove, or return for further consideration, each project. The money for a project may be expended only upon approval of the project by the governor. The board may submit supplemental projects for approval at any time.~~

Subd. 2. **Expenditure of funds.** (a) Before January 1, 2028, funds may be expended on projects and for administration of the trust fund only from the net interest, earnings, and dividends arising from the investment of the trust at any time, including net interest, earnings, and dividends that have arisen prior to July 13, 1982, plus \$10,000,000 made available for use in fiscal year 1983, except that any amount required to be paid out of the trust fund to provide the property tax relief specified in Laws 1977, chapter 423, article X, section 4, and to make school bond payments and payments to recipients of taconite production tax proceeds pursuant to section 298.225, may be taken from the corpus of the trust.

(b) Additionally, ~~upon recommendation by the board,~~ the commissioner, after consulting the commission, may choose to make up to \$13,000,000 from the corpus of the trust ~~may be made~~ available for use as provided in subdivision 4, and up to \$10,000,000 from the corpus of the trust may be made available for use as provided in section 298.2961.

(c) Additionally, an amount equal to 20 percent of the value of the corpus of the trust on May 18, 2002, not including the funds authorized in paragraph (b), plus the amounts made available under section 298.28, subdivision 4, and Laws 2002, chapter 377, article 8, section 17, may be expended on projects. ~~Funds~~ The commissioner may be expended expend funds for projects under this paragraph only if ~~the project~~:

(1) the project is for the purposes established under section 298.292, subdivision 1, clause (1) or (2); and

(2) ~~is approved by two thirds of all of the members of the board~~ the commissioner complied with the requirements for expenditures under section 298.22.

No money made available under this paragraph or paragraph (d) can be used for administrative or operating expenses of the Department of Iron Range resources and rehabilitation Board or expenses relating to any facilities owned or operated by the ~~board~~ commissioner on May 18, 2002.

(d) ~~Upon recommendation by a unanimous vote of all members of the board,~~ The commissioner may spend amounts in addition to those authorized under paragraphs (a), (b), and (c) may be expended on projects described in section 298.292, subdivision 1, if the commissioner complies with the requirements for expenditures under section 298.22.

(e) Annual administrative costs, not including detailed engineering expenses for the projects, shall not exceed five percent of the net interest, dividends, and earnings arising from the trust in the preceding fiscal year.

(f) Principal and interest received in repayment of loans made pursuant to this section, and earnings on other investments made under section 298.292, subdivision 2, clause (4), shall be deposited in the state treasury and credited to the trust. These receipts are appropriated to the board for the purposes of sections 298.291 to 298.298.

(g) Additionally, notwithstanding section 298.293, ~~upon the approval of the board~~ if the commissioner complies with the requirements for expenditures under section 298.22, money from the corpus of the trust may be expanded to purchase forest lands within the taconite assistance area as provided in sections 298.22, subdivision 5a, and 298.292, subdivision 2, clause (5).

Subd. 3. **Administration.** The commissioner ~~and staff of the~~ Iron Range resources and rehabilitation ~~Board~~ shall administer the program under which funds are expended pursuant to sections 298.292 to 298.298.

Subd. 4. **Temporary loan authority.** (a) ~~The board may recommend that~~ If the commissioner complies with the requirements for expenditures under section 298.22, the commissioner may use up to \$7,500,000 from the corpus of the trust ~~may be used~~ for loans, loan guarantees, grants, or equity investments as provided in this subdivision. The money would be available for loans for construction and equipping of facilities constituting (1) a value added iron products plant, which may be either a new plant or a facility incorporated into an existing plant that produces iron upgraded to a minimum of 75 percent iron content or any iron alloy with a total minimum metallic content of 90 percent; or (2) a new mine or minerals processing plant for any mineral subject to the net proceeds tax imposed under section 298.015. A loan or loan guarantee under this paragraph may not exceed \$5,000,000 for any facility.

(b) Additionally, ~~the board must reserve~~ the first \$2,000,000 of the net interest, dividends, and earnings arising from the investment of the trust after June 30, 1996, ~~to be used~~ must be reserved for grants, loans, loan guarantees, or equity investments for the purposes set forth in paragraph (a). This amount must be reserved until it is used as described in this subdivision.

(c) Additionally, ~~the board may recommend that~~ up to \$5,500,000 from the corpus of the trust may be used for additional grants, loans, loan guarantees, or equity investments for the purposes set forth in paragraph (a).

(d) The ~~board~~ commissioner, after consultation with the commission, may require that ~~it~~ the fund receive an equity percentage in any project to which it contributes under this section.

Sec. 53. Minnesota Statutes 2016, section 298.2961, is amended to read:

**298.2961 PRODUCER GRANTS.**

Subdivision 1. **Appropriation.** (a) \$10,000,000 is appropriated from the Douglas J. Johnson economic protection trust fund to a special account in the taconite area environmental protection fund for grants to producers on a project-by-project basis as provided in this section.

(b) The proceeds of the tax designated under section 298.28, subdivision 9b, are appropriated for grants to producers on a project-by-project basis as provided in this section.

Subd. 2. **Projects; approval.** (a) Projects funded must be for:

(1) environmentally unique reclamation projects; or

(2) pit or plant repairs, expansions, or modernizations other than for a value added iron products plant.

(b) ~~To be proposed by the board, a project must be approved by the board. The money for a project may be spent only upon approval of the project by the governor. The board may submit supplemental projects for approval at any time~~ For all such projects, the commissioner must comply with the requirements for expenditures under section 298.22.

(c) The ~~board~~ commissioner, after consultation with the commission, may require that ~~it~~ the fund receive an equity percentage in any project to which it contributes under this section.

Subd. 3. **Redistribution.** (a) If a taconite production facility is sold after operations at the facility had ceased, any money remaining in the taconite environmental fund for the former producer may be released to the purchaser of the facility on the terms otherwise applicable to the former producer under this section.

(b) Any portion of the taconite environmental fund that is not released by the commissioner within three years of its deposit in the taconite environmental fund shall be divided between the taconite environmental protection fund created in section 298.223 and the Douglas J. Johnson economic protection trust fund created in section 298.292 for placement in their respective special accounts. Two-thirds of the unreleased funds must be distributed to the taconite environmental protection fund and one-third to the Douglas J. Johnson economic protection trust fund.

Subd. 4. **Grant and loan fund.** (a) A fund is established to receive distributions under section 298.28, subdivision 9b, and to make grants or loans as provided in this subdivision. Any grant or loan made under this subdivision must ~~be approved by the board, established under section 298.22~~ comply with the requirements for expenditures under section 298.22.

(b) All distributions received in 2009 and subsequent years are allocated for projects under section 298.223, subdivision 1.

Sec. 54. Minnesota Statutes 2016, section 298.297, is amended to read:

**298.297 ADVISORY COMMITTEES.**

Before submission of a project to the ~~board~~ commission, the commissioner of Iron Range resources and rehabilitation shall appoint a technical advisory committee consisting of one or more persons who are knowledgeable in areas related to the objectives of the proposal. Members of the committees shall be compensated as provided in section 15.059, subdivision 3. ~~The board shall not act~~ commission shall not make recommendations on a proposal until it has received the evaluation and recommendations of the technical advisory committee or until 15 days have elapsed since the proposal was transmitted to the advisory committee, whichever occurs first.

Sec. 55. Minnesota Statutes 2016, section 298.46, subdivision 2, is amended to read:

Subd. 2. **Unmined iron ore; valuation petition.** When in the opinion of the duly constituted authorities of a taxing district there are in existence reserves of unmined iron ore located in such district, these authorities may petition the commissioner of Iron Range resources and rehabilitation Board for authority to petition the county assessor to verify the existence of such reserves and to ascertain the value thereof by drilling in a manner consistent with established engineering and geological exploration methods, in order that such taxing district may be able to forecast in a proper manner its future economic and fiscal potentials. The commissioner may grant the authority to petition only after consultation with the commission.

Sec. 56. Minnesota Statutes 2016, section 298.46, subdivision 5, is amended to read:

Subd. 5. **Payment of costs; reimbursement.** The cost of such exploration or drilling plus any damages to the property which may be assessed by the district court shall be paid by the commissioner of Iron Range resources and rehabilitation Board from amounts appropriated to ~~that board~~ the commissioner under section 298.22. The commissioner of Iron Range resources and rehabilitation Board shall be reimbursed for one-half of the amounts thus expended. Such reimbursement shall be made by the taxing districts in the proportion that each such taxing district's levy on the property involved bears to the total levy on such property. Such reimbursement shall be made to the commissioner of Iron Range resources and rehabilitation Board in the manner provided by section 298.221.

Sec. 57. Minnesota Statutes 2016, section 298.46, subdivision 6, is amended to read:

Subd. 6. **Refusal to reimburse; reduction of other payments.** If any taxing district refuses to pay its share of the reimbursement as provided in subdivision 5, the county auditor is hereby authorized to reduce payments required to be made by the county to such taxing district under other provisions of law. Thereafter the auditor shall draw a warrant, which shall be deposited with the state treasury in accordance with section 298.221, to the credit of the commissioner of Iron Range resources and rehabilitation Board.

Sec. 58. Minnesota Statutes 2016, section 466.03, subdivision 6c, is amended to read:

Subd. 6c. **Water access sites.** Any claim based upon the construction, operation, or maintenance by a municipality of a water access site created by the commissioner of Iron Range resources and rehabilitation Board. A water access site under this subdivision that provides access to an idled, water filled mine pit also includes the entire water filled area of the pit, and, further, claims related to a mine pit water access site under this subdivision include those based upon the caving or slumping of mine pit walls.

Sec. 59. Minnesota Statutes 2016, section 469.310, subdivision 9, is amended to read:

Subd. 9. **Local government unit.** "Local government unit" means a statutory or home rule charter city, county, town, the Department of Iron Range Resources and Rehabilitation agency, regional development commission, or a federally designated economic development district.

Sec. 60. Minnesota Statutes 2016, section 474A.02, subdivision 21, is amended to read:

Subd. 21. **Preliminary resolution.** "Preliminary resolution" means a resolution adopted by the governing body or board of the issuer, or ~~in the case of the~~ by the commissioner of Iron Range resources and rehabilitation Board ~~by the commissioner~~. The resolution must express a preliminary intention of the issuer to issue obligations for a specific project, identify the proposed project, and disclose the proposed amount of qualified bonds to be issued. Preliminary resolutions for mortgage bonds and student loan bonds need not identify a specific project.

Sec. 61. Laws 2010, chapter 389, article 5, section 7, is amended to read:

**Sec. 7. GIANTS RIDGE RECREATION AREA TAXING AUTHORITY.**

Subdivision 1. **Additional taxes authorized.** Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or charter provision to the contrary, the city of Biwabik, upon approval both by its governing body and by the vote of at least seven members of the Iron Range Resources and Rehabilitation Board, may impose any or all of the taxes described in this section.

Subd. 2. **Use of proceeds.** The proceeds of any taxes imposed under this section, less refunds and costs of collection, must be deposited into the Iron Range Resources and Rehabilitation ~~Board~~ account enterprise fund created under the provisions of Minnesota Statutes, section 298.221, paragraph (c), and must be dedicated and expended by the commissioner of the Iron Range resources and rehabilitation ~~Board~~, ~~upon approval by the vote of at least seven members of~~ after consultation with the Legislative Commission on Iron Range Resources and Rehabilitation Board, to pay costs for the construction, renovation, improvement, expansion, and maintenance of public recreational facilities located in those portions of the city within the Giants Ridge Recreation Area as defined in Minnesota Statutes, section 298.22, subdivision 7, or to pay any principal, interest, or premium on any bond issued to finance the construction, renovation, improvement, or expansion of such public recreational facilities.

Subd. 3. **Lodging tax.** (a) The city of Biwabik, upon approval both by its governing body and by the vote of at least seven members of the Iron Range Resources and Rehabilitation Board, may impose, by ordinance, a tax of not more than five percent on the gross receipts subject to the lodging tax under Minnesota Statutes, section 469.190. This tax is in addition to any tax imposed under Minnesota Statutes, section 469.190, and may be imposed only on gross lodging receipts generated within the Giants Ridge Recreation Area as defined in Minnesota Statutes, section 298.22, subdivision 7.

(b) If, after July 31, 2017, the city of Biwabik changes by ordinance the rate of the tax imposed under paragraph (a), the change must be approved by both the governing body of the city of Biwabik and the commissioner of Iron Range resources and rehabilitation, after the commissioner consults with the Legislative Commission on Iron Range Resources and Rehabilitation.

Subd. 4. **Admissions and recreation tax.** (a) The city of Biwabik, upon approval both by its governing body and by the vote of at least seven members of the Iron Range Resources and Rehabilitation Board, may impose, by ordinance, a tax of not more than five percent on admission receipts to entertainment and recreational facilities and on receipts from the rental of recreation equipment, at sites within the Giants Ridge Recreation Area as defined in Minnesota Statutes, section 298.22, subdivision 7. The provisions of Minnesota Statutes, section 297A.99, except for subdivisions 2 and 3, govern the imposition, administration, collection, and enforcement of the tax authorized in this subdivision.

(b) If the city imposes the tax under paragraph (a), it must include in the ordinance an exemption for purchases of season tickets or passes.

(c) If, after July 31, 2017, the city of Biwabik changes by ordinance the rate of the tax imposed under paragraph (a), the change must be approved by both the governing body of the city of Biwabik and the commissioner of Iron Range resources and rehabilitation, after the commissioner consults with the Legislative Commission on Iron Range Resources and Rehabilitation.

Subd. 5. **Food and beverage tax.** (a) The city of Biwabik, upon approval both by its governing body and by the vote of at least seven members of the Iron Range Resources and Rehabilitation Board, may impose, by ordinance, an additional sales tax of not more than one percent on gross receipts of food and beverages sold whether it is consumed on or off the premises by restaurants and places of refreshment as defined by resolution of the city

within the Giants Ridge Recreation Area as defined in Minnesota Statutes, section 298.22, subdivision 7. The provisions of Minnesota Statutes, section 297A.99, except for subdivisions 2 and 3, govern the imposition, administration, collection, and enforcement of the tax authorized in this subdivision.

(b) If, after July 31, 2017, the city of Biwabik changes by ordinance the rate of the tax imposed under paragraph (a), the change must be approved by both the governing body of the city of Biwabik and the commissioner of Iron Range resources and rehabilitation, after the commissioner consults with the Legislative Commission on Iron Range Resources and Rehabilitation.

**EFFECTIVE DATE.** This section is effective August 1, 2017, without local approval pursuant to Minnesota Statutes, section 645.023, subdivision 1, paragraph (a).

Sec. 62. **REVISOR'S INSTRUCTION.**

The revisor of statutes, with cooperation from the House Research Department and the Office of Senate Counsel, Research, and Fiscal Analysis, shall prepare legislation that makes conforming changes in accordance with the provisions of this act. The revisor shall submit the proposal, in a form ready for introduction, during the 2018 regular legislative session to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over taxes.

Sec. 63. **REPEALER.**

Minnesota Statutes 2016, sections 298.22, subdivision 8; 298.2213; and 298.298, are repealed."

Delete the title and insert:

"A bill for an act relating to Iron Range resources and rehabilitation; modifying duties of the commissioner; creating a legislative commission; making conforming changes; amending Minnesota Statutes 2016, sections 3.732, subdivision 1; 3.736, subdivision 3; 15.01; 15.38, subdivision 7; 15A.0815, subdivision 3; 43A.02, subdivision 22; 85.0146, subdivision 1; 116D.04, subdivision 1a; 116J.423, subdivision 2; 116J.424; 116J.994, subdivisions 3, 5, 7; 216B.161, subdivision 1; 216B.1694, subdivision 1; 276A.01, subdivisions 8, 17; 276A.06, subdivision 8; 282.38, subdivisions 1, 3; 298.001, subdivision 8, by adding a subdivision; 298.018, subdivision 1; 298.17; 298.22, subdivisions 1, 1a, 5a, 6, 10, 11, by adding subdivisions; 298.221; 298.2211, subdivisions 3, 6; 298.2212; 298.2214, subdivision 2; 298.223; 298.227; 298.27; 298.28, subdivisions 7, 7a, 9c, 9d, 11; 298.292, subdivision 2; 298.296; 298.2961; 298.297; 298.46, subdivisions 2, 5, 6; 466.03, subdivision 6c; 469.310, subdivision 9; 474A.02, subdivision 21; Laws 2010, chapter 389, article 5, section 7; repealing Minnesota Statutes 2016, sections 298.22, subdivision 8; 298.2213; 298.298."

With the recommendation that when so amended the bill be re-referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

The report was adopted.

Runbeck from the Committee on Transportation and Regional Governance Policy to which was referred:

H. F. No. 1659, A bill for an act relating to transportation; appropriating money for transportation management organizations in the Twin Cities metropolitan area; proposing coding for new law in Minnesota Statutes, chapter 174.

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

The report was adopted.

Erickson from the Committee on Education Innovation Policy to which was referred:

H. F. No. 1663, A bill for an act relating to education; modifying alternative teacher preparation and compensation programs; creating a Teacher Shortage Task Force; expanding the concurrent enrollment teacher program; requiring a report; appropriating money; amending Minnesota Statutes 2016, sections 122A.245, subdivisions 1, 2, 3, 10; 122A.414, by adding a subdivision; 122A.415; 136A.1791, subdivisions 1, 2, 9; Laws 2016, chapter 189, article 25, sections 58; 62, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 136A.

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

The report was adopted.

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

H. F. No. 1665, A bill for an act relating to telecommunications; prohibiting regulation of voice-over-Internet protocol service and Internet protocol-enabled service; amending Minnesota Statutes 2016, section 237.01, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 237.

Reported the same back with the following amendments:

Page 2, line 33, delete "or"

Page 3, line 3, delete the period and insert ": or"

Page 3, after line 3, insert:

"(6) the authority of the attorney general to apply and enforce chapters 325C to 325G, 325K to 325M, and other laws of general applicability governing consumer protection and trade practices."

Page 3, after line 9, insert:

"Subd. 5. **Preservation of existing landline telephone service.** Nothing in this section restricts, creates, expands, or otherwise affects or modifies the obligations of a telephone company under this chapter to offer landline telephone service that is not Voice-over-Internet protocol service."

With the recommendation that when so amended the bill be re-referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

The report was adopted.

Fabian from the Committee on Environment and Natural Resources Policy and Finance to which was referred:

H. F. No. 1673, A bill for an act relating to natural resources; modifying off-highway motorcycle education and training program; modifying provisions of Minnesota Naturalist Corps; modifying invasive species provisions; modifying requirements for designating forest trails; modifying state water trail provisions; modifying water safety requirements; modifying grant, contract, and lease provisions; modifying provisions to take, possess, and transport wildlife; modifying commissioner's duties and authority; requiring rulemaking; amending Minnesota Statutes 2016, sections 84.01, by adding a subdivision; 84.791, subdivisions 1, 2; 84.946, subdivision 2, by adding a subdivision; 84.992, subdivisions 3, 4, 5, 6; 84D.03, subdivisions 3, 4; 84D.04, subdivision 1; 84D.05, subdivision 1; 84D.11, by adding a subdivision; 85.32, subdivision 1; 86B.105; 86B.313, subdivision 1; 86B.501, subdivision 3; 86B.511; 88.523; 89.19, subdivision 2; 89.39; 90.041, subdivision 2; 90.051; 90.14; 90.151, subdivision 1; 90.162; 90.252; 94.343, subdivision 9; 94.344, subdivision 9; 97A.015, subdivisions 39, 43, 45, 52, 53; 97A.045, subdivision 10; 97A.475, subdivision 42; 97B.655, subdivision 1; 97C.601, subdivisions 2, 5; 97C.701, by adding a subdivision; 103G.411; 160.06; proposing coding for new law in Minnesota Statutes, chapter 97A; repealing Minnesota Statutes 2016, sections 84.025, subdivision 10; 84.026, subdivision 3; 85.012, subdivision 27b; 86B.313, subdivisions 2, 3; 97C.601, subdivision 3; 97C.701, subdivisions 1a, 6; 97C.705; 97C.711; Minnesota Rules, parts 6256.0200; 6258.0100; 6258.0200; 6258.0300; 6258.0400; 6258.0500; 6258.0600; 6258.0700, subparts 1, 4, 5; 6258.0800; 6258.0900.

Reported the same back with the following amendments:

Page 1, after line 31, insert:

"Sec. 2. Minnesota Statutes 2016, section 84.788, subdivision 2, is amended to read:

Subd. 2. **Exemptions.** Registration is not required for off-highway motorcycles:

(1) owned and used by the United States, an Indian tribal government, the state, another state, or a political subdivision;

(2) registered in another state or country that have not been within this state for more than 30 consecutive days;

(3) registered under chapter 168, when operated on forest roads to gain access to a state forest campground;

(4) used exclusively in organized track racing events;

(5) operated on state or grant-in-aid trails by a nonresident possessing a nonresident off-highway motorcycle state trail pass; ~~or~~

(6) operated by a person participating in an event for which the commissioner has issued a special use permit; or

(7) operated on boundary trails and registered in another state or country providing equal reciprocal registration or licensing exemptions for registrants of this state."

Page 2, delete sections 2 and 3 and insert:

"Sec. 3. Minnesota Statutes 2016, section 84.793, subdivision 1, is amended to read:

Subdivision 1. **Prohibitions on youthful operators.** (a) A person six years or older but less than 16 years of age operating an off-highway motorcycle on public lands or waters must possess a valid off-highway motorcycle safety certificate issued by the commissioner.



(b) Except for operation on public road rights-of-way that is permitted under section 84.795, subdivision 1, a driver's license issued by the state or another state is required to operate an off-highway motorcycle along or on a public road right-of-way.

(c) A person under 12 years of age may not:

(1) make a direct crossing of a public road right-of-way;

(2) operate an off-highway motorcycle on a public road right-of-way in the state; or

(3) operate an off-highway motorcycle on public lands or waters unless accompanied by a person 18 years of age or older or participating in an event for which the commissioner has issued a special use permit.

(d) Except for public road rights-of-way of interstate highways, a person less than 16 years of age may make a direct crossing of a public road right-of-way of a trunk, county state-aid, or county highway only if that person is accompanied by a person 18 years of age or older who holds a valid driver's license.

(e) A person less than 16 years of age may operate an off-highway motorcycle on public road rights-of-way in accordance with section 84.795, subdivision 1, paragraph (a), only if that person is accompanied by a person 18 years of age or older who holds a valid driver's license.

(f) Notwithstanding paragraph (a), a nonresident less than 16 years of age may operate an off-highway motorcycle on public lands or waters if the nonresident youth has in possession evidence of completing an off-road safety course offered by the Motorcycle Safety Foundation or another state as provided in section 84.791, subdivision 4.

Sec. 4. Minnesota Statutes 2016, section 84.9256, subdivision 1, is amended to read:

Subdivision 1. **Prohibitions on youthful operators.** (a) Except for operation on public road rights-of-way that is permitted under section 84.928 and as provided under paragraph (j), a driver's license issued by the state or another state is required to operate an all-terrain vehicle along or on a public road right-of-way.

(b) A person under 12 years of age shall not:

(1) make a direct crossing of a public road right-of-way;

(2) operate an all-terrain vehicle on a public road right-of-way in the state; or

(3) operate an all-terrain vehicle on public lands or waters, except as provided in paragraph (f).

(c) Except for public road rights-of-way of interstate highways, a person 12 years of age but less than 16 years may make a direct crossing of a public road right-of-way of a trunk, county state-aid, or county highway or operate on public lands and waters or state or grant-in-aid trails, only if that person possesses a valid all-terrain vehicle safety certificate issued by the commissioner and is accompanied by a person 18 years of age or older who holds a valid driver's license.

(d) To be issued an all-terrain vehicle safety certificate, a person at least 12 years old, but less than 16 years old, must:

(1) successfully complete the safety education and training program under section 84.925, subdivision 1, including a riding component; and

(2) be able to properly reach and control the handle bars and reach the foot pegs while sitting upright on the seat of the all-terrain vehicle.

(e) A person at least ~~14~~ six years of age may take the safety education and training program and may receive an all-terrain vehicle safety certificate under paragraph (d), but the certificate is not valid until the person reaches age 12.

(f) A person at least ten years of age but under 12 years of age may operate an all-terrain vehicle with an engine capacity up to 90cc on public lands or waters if accompanied by a parent or legal guardian.

(g) A person under 15 years of age shall not operate a class 2 all-terrain vehicle.

(h) A person under the age of 16 may not operate an all-terrain vehicle on public lands or waters or on state or grant-in-aid trails if the person cannot properly reach and control the handle bars and reach the foot pegs while sitting upright on the seat of the all-terrain vehicle.

(i) Notwithstanding paragraph (c), a nonresident at least 12 years old, but less than 16 years old, may make a direct crossing of a public road right-of-way of a trunk, county state-aid, or county highway or operate an all-terrain vehicle on public lands and waters or state or grant-in-aid trails if:

(1) the nonresident youth has in possession evidence of completing an all-terrain safety course offered by the ATV Safety Institute or another state as provided in section 84.925, subdivision 3; and

(2) the nonresident youth is accompanied by a person 18 years of age or older who holds a valid driver's license.

(j) A person 12 years of age but less than 16 years of age may operate an all-terrain vehicle on the roadway, bank, slope, or ditch of a public road right-of-way as permitted under section 84.928 if the person:

(1) possesses a valid all-terrain vehicle safety certificate issued by the commissioner; and

(2) is accompanied by a parent or legal guardian on a separate all-terrain vehicle."

Page 8, delete section 16

Page 10, delete section 18

Page 11, delete section 21

Page 17, delete section 36

Page 18, delete section 38

Page 18, delete section 40 and insert:

"Sec. 36. Minnesota Statutes 2016, section 97C.401, subdivision 2, is amended to read:

Subd. 2. **Walleye; northern pike.** ~~(a) Except as provided in paragraph (b),~~ A person may have no more than one walleye larger than 20 inches ~~and one northern pike larger than 30 inches~~ in possession. This subdivision does not apply to boundary waters.

~~(b) The restrictions in paragraph (a) do not apply to boundary waters."~~

Page 19, delete section 41

Page 20, delete section 45

Page 20, line 25, delete "84.025, subdivision 10;"

Page 20, line 26, delete "86B.313, subdivisions 2 and 3; 97C.601, subdivision 3;"

Page 20, line 28, delete "6256.0200;"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "motorcycle education and" and insert "vehicle provisions;"

Page 1, line 3, delete "training program;"

Page 1, line 4, delete everything after the first semicolon

Page 1, line 8, delete "requiring rulemaking;"

Correct the title numbers accordingly

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

The report was adopted.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 1697, A bill for an act relating to elections; providing a voting equipment grant program; requiring reports; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 206; repealing Minnesota Statutes 2016, section 204B.48.

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

The report was adopted.

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

H. F. No. 1732, A bill for an act relating to insurance; examinations by the commissioner of commerce; amending Minnesota Statutes 2016, sections 45.027, subdivision 7; 60A.031, subdivisions 2a, 6; 62C.11, by adding a subdivision; 62D.24; proposing coding for new law in Minnesota Statutes, chapter 60A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2016, section 60A.031, subdivision 4, is amended to read:

Subd. 4. **Examination report; foreign and domestic companies.** (a) The commissioner shall make a full and true report of every examination conducted pursuant to this chapter, which shall include (1) a statement of findings of fact relating to the financial status and other matters ascertained from the books, papers, records, documents, and other evidence obtained by investigation and examination or ascertained from the testimony of officers, agents, or other persons examined under oath concerning the business, affairs, assets, obligations, ability to fulfill obligations, and compliance with all the provisions of the law of the company, applicant, organization, or person subject to this chapter and (2) a summary of important points noted in the report, conclusions, recommendations and suggestions as may reasonably be warranted from the facts so ascertained in the examinations. The report of examination shall be verified by the oath of the examiner in charge thereof, and shall be prima facie evidence in any action or proceedings in the name of the state against the company, applicant, organization, or person upon the facts stated therein.

(b) No later than 60 days following completion of the examination, the examiner in charge shall file with the department a verified written report of examination under oath. Upon receipt of the verified report, the department shall transmit the report to the company examined, together with a notice which provides the company examined with a reasonable opportunity of not more than 30 days to make a written submission or rebuttal with respect to matters contained in the examination report.

(c) Within 30 days of the end of the period allowed for the receipt of written submissions or rebuttals, the commissioner shall fully consider and review the report, together with the written submissions or rebuttals and the relevant portions of the examiner's work papers and enter an order:

(1) adopting the examination report as filed or with modification or corrections. If the examination report reveals that the company is operating in violation of any law, rule, or prior order of the commissioner, the commissioner may order the company to take any action the commissioner considers necessary and appropriate to cure the violation;

(2) rejecting the examination report with directions to the examiners to reopen the examination for purposes of obtaining additional data, documentation, or information, and refiling the report as required under paragraph (b); or

(3) calling for an investigatory hearing with no less than 20 days' notice to the company for purposes of obtaining additional documentation, data, information, and testimony.

(d)(1) All orders entered under paragraph (c), clause (1), must be accompanied by findings and conclusions resulting from the commissioner's consideration and review of the examination report, relevant examiner work papers, and any written submissions or rebuttals. The order is a final administrative decision and may be appealed as provided under chapter 14. The order must be served upon the company by certified mail, together with a copy of the adopted examination report. Within 30 days of the issuance of the adopted report, the company shall file affidavits executed by each of its directors stating under oath that they have received a copy of the adopted report and related orders.

(2) A hearing conducted under paragraph (c), clause (3), by the commissioner or authorized representative, must be conducted as a nonadversarial confidential investigatory proceeding as necessary for the resolution of inconsistencies, discrepancies, or disputed issues apparent upon the face of the filed examination report or raised by or as a result of the commissioner's review of relevant work papers or by the written submission or rebuttal of the company. Within 20 days of the conclusion of the hearing, the commissioner shall enter an order as required under paragraph (c), clause (1).

(3) The commissioner shall not appoint an examiner as an authorized representative to conduct the hearing. The hearing must proceed expeditiously. Discovery by the company is limited to the examiner's work papers which tend to substantiate assertions in a written submission or rebuttal. The commissioner or the commissioner's representative may issue subpoenas for the attendance of witnesses or the production of documents considered relevant to the investigation whether under the control of the department, the company, or other persons. The documents produced must be included in the record. Testimony taken by the commissioner or the commissioner's representative must be under oath and preserved for the record.

This section does not require the department to disclose information or records which would indicate or show the existence or content of an investigation or activity of a criminal justice agency.

(4) The hearing must proceed with the commissioner or the commissioner's representative posing questions to the persons subpoenaed. Thereafter, the company and the department may present testimony relevant to the investigation. Cross-examination may be conducted only by the commissioner or the commissioner's representative. The company and the department shall be permitted to make closing statements and may be represented by counsel of their choice.

(e)(1) Upon the adoption of the examination report under paragraph (c), clause (1), the commissioner shall continue to hold the content of the examination report as private and confidential information for a period of 30 days except as otherwise provided in paragraph (b). Thereafter, the commissioner may open the report for public inspection if a court of competent jurisdiction has not stayed its publication.

(2) Nothing contained in this subdivision prevents or shall be construed as prohibiting the commissioner from disclosing the content of an examination report, preliminary examination report or results, or any matter relating to the reports, to the Commerce Department or the insurance department of another state or country, or to law enforcement officials of this or another state or agency of the federal government at any time, if the agency or office receiving the report or matters relating to the report agrees in writing to hold it confidential and in a manner consistent with this subdivision.

(3) If the commissioner determines that regulatory action is appropriate as a result of an examination, the commissioner may initiate proceedings or actions as provided by law.

(f) All working papers, recorded information, documents and copies thereof produced by, obtained by, or disclosed to the commissioner or any other person in the course of an examination made under this subdivision, or in the course of market analysis, must be given confidential treatment and are not subject to subpoena and may not be made public by the commissioner or any other person, except to the extent provided in paragraph (e). Access may also be granted to the National Association of Insurance Commissioners (NAIC), the Financial Industry Regulatory Authority, and any national securities association registered under the Securities Exchange Act of 1934. The parties must agree in writing prior to receiving the information to provide to it the same confidential treatment as required by this section, unless the prior written consent of the company to which it pertains has been obtained. For purposes of this section, "market analysis" means a process whereby market conduct surveillance personnel collect and analyze information from filed schedules, surveys, required reports, such as the NAIC Market Conduct Annual Statement, or other sources in order to develop a baseline profile of an insurer, to review the operation or activity of an insurer, or to identify patterns or practices of insurers licensed to do business in this state that deviate significantly from the norm or that may pose a potential risk to the insurance consumer.

(g) Information in the possession or control of, or obtained or disclosed to, the commissioner in the course of, or derived from, market analysis, as defined in paragraph (f), by an insurance company is:

(1) confidential data on individuals, as defined in section 13.02, subdivision 3, or protected nonpublic data, as defined in section 13.02, subdivision 13; and

(2) not subject to subpoena or other discovery nor admissible in evidence in a private civil action. Neither the commissioner nor any person who received information while acting under the authority of the commissioner is permitted or required to testify in a private civil action concerning the information. Nothing in this paragraph limits the ability of the commissioner to use the information in furtherance of an action brought by the commissioner.

(h) Requests for information issued by the commissioner to an insurance company in the course of a market analysis, as defined in paragraph (f), must be issued under the commissioner's authority as provided in this section.

(i) Notwithstanding paragraph (h), the commissioner may request information from an insurance company pursuant to the commissioner's authority under section 45.027, subdivision 1a or 2, if:

(1) the request for information is in connection with an unresolved consumer complaint; or

(2) there is an imminent risk of significant harm to a consumer.

(j) Requests for information from the commissioner to an insurance company under paragraph (i) are not subject to section 60A.033.

Sec. 2. Minnesota Statutes 2016, section 60A.031, subdivision 6, is amended to read:

Subd. 6. **Penalty.** Notwithstanding section 72A.05, any person who violates or aids and abets any violation of a written order issued pursuant to this section may be fined not more than \$10,000 for each day the violation continues for each violation of the order ~~in an action commenced in Ramsey County by the attorney general on behalf of the state of Minnesota~~ and the money so recovered shall be paid into the general fund.

Sec. 3. **[60A.033] SCHEDULING CONFERENCE AND ORDER.**

Subdivision 1. **Scope.** This section applies to examinations limited to market analysis, as defined in section 60A.031, subdivision 4, paragraph (f).

Subd. 2. **Scheduling conference required.** Within 30 days of issuing an examination order under section 60A.031, the commissioner must hold a scheduling conference with the insurance company.

Subd. 3. **Exception.** A scheduling conference and order is not required under this section if the insurance company waives their right to a scheduling conference and order.

Subd. 4. **Scheduling conference.** At the scheduling conference, the commissioner must provide the insurance company with the following:

(1) the justification for the examination and the specific regulatory issues the examination will address;

(2) the information that must be produced by the insurance company and the timing for its production in accordance with the requirements of subdivision 6;

(3) the estimated length of the examination, subject to the requirements of subdivision 9;

(4) whether contract examiners will be used;

(5) a budget for the exam including:

(i) the daily or hourly rates for the examiners that will be involved in the examination and the estimated number of hours for the examination;

(ii) the estimated travel, lodging, meal, and other expenses of the examiners; and

(iii) the estimated administrative and supply costs directly associated with the examination; and

(6) an explanation of the invoicing process and the process for resolving billing disputes.

**Subd. 5. Scheduling order.** Within 15 days following the scheduling conference or as otherwise agreed to by the commissioner and the insurance company, the commissioner must issue a scheduling order that includes the information required by subdivision 4, based on the discussion at the scheduling conference. The commissioner and insurance company must follow the terms of the scheduling order. To amend a scheduling order there must be a supplemental scheduling conference that complies with subdivision 4 and a supplemental scheduling order that complies with this subdivision, unless otherwise agreed upon by the commissioner and the insurance company.

**Subd. 6. Production of information.** (a) Any information requested from an insurance company by the commissioner must:

(1) be limited to matters relevant to the issues the examination will address;

(2) provide the insurance company with a reasonable period of time to respond to the request, but not less than 30 business days from the receipt of the request; and

(3) be reasonable in relation to the burden or expense of gathering the requested information and the needs of the examination.

(b) In making an information request, the commissioner must consider whether the information being requested is obtainable from some other source that is more convenient, less burdensome, or less expensive for the insurance company.

(c) An insurance company can extend the time period by which a response to an information request from the commissioner is due by up to 30 days upon giving notice of the extension to the commissioner. The commissioner may extend any time period by which information is due relating to an examination.

**Subd. 7. Conduct of an examination.** (a) Unless required to preserve evidence, the commissioner, department, and examiners:

(1) may not appear at an insurance company's place of business unannounced to conduct the examination; or

(2) may not be present at an insurance company's place of business outside of normal hours without the insurance company's written consent.

(b) If a statement is taken by the commissioner from a person under oath, the person must first be informed of the following:

(1) the scope of the proposed statement;

(2) whether the person is the subject of an examination; and

(3) that the person may be represented by legal counsel during the taking of the statement.

(c) If a statement is taken by the commissioner from a person under oath and the statement is recorded, the person must be provided with a transcript or recording of the statement within 30 days of requesting it from the commissioner.

Subd. 8. **Costs.** All bills for examination costs being charged to an insurance company pursuant to section 60A.031, subdivision 3, paragraph (c), or 5, must:

(1) be itemized and, with respect to examiner billings, contain activity detail on a quarterly hourly basis by an individual examiner and disclose the applicable hourly billing rates, together with per-charge detail for related travel or other expenses; and

(2) provide a due date no less than 30 business days from receipt of the bill.

Subd. 9. **Completion of examination.** An examination under section 60A.031 must not exceed 12 months from the date the commissioner receives the insurance company's first submission pursuant to a scheduling order, unless:

(1) there has been a material lack of cooperation by the insurance company; or

(2) the commissioner can show that additional time is necessary to complete the examination.

Subd. 10. **Hearing, procedure, and judicial review.** (a) An insurance company aggrieved by any order or decision of the commissioner made without a hearing may, within 30 days after it receives notice of the order, make a written request to the commissioner for a hearing thereon. The commissioner shall hear the party or parties within 20 days after receipt of the request and shall give not less than ten days' written notice of the time and place of the hearing. Within 15 days after the hearing, the commissioner shall affirm, reverse, or modify the previous action, specifying the reasons therefor. Pending the hearing and decision thereon, the commissioner may suspend or postpone the effective date of the previous action.

(b) Nothing in this section shall require the observance at any hearing of formal rules of pleading or evidence.

(c) An order or decision of the commissioner shall be subject to appeal in accordance with chapter 14. The order of the administrative law judge shall constitute the final decision in the case and, absent a stipulation of the parties, may not be rejected or modified by the commissioner. The order may be appealed to the Court of Appeals under sections 14.63 to 14.68, pursuant to the standard of review in section 14.69.

#### Sec. 4. **EFFECTIVE DATE.**

Sections 1 to 3 are effective August 1, 2017, and apply to examinations and investigations initiated on or after that date."

Correct the title numbers accordingly

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

The report was adopted.



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

H. F. No. 1764, A bill for an act relating to commerce; regulating the redemption period in pawn transactions; amending Minnesota Statutes 2016, section 325J.06.

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. 643, 771, 827, 1006, 1126, 1195, 1314, 1477, 1673 and 1764 were read for the second time.

## **INTRODUCTION AND FIRST READING OF HOUSE BILLS**

The following House Files were introduced:

Nash; Erickson; Loon; Slocum; Theis; Haley; Scott; Urdahl; Bennett; Peterson; Anderson, S.; Ward; Rarick; O'Driscoll; Franson; Barr, R.; Kresha; Halverson; Neu; Franke; Albright; Lillie; Sandstede and Schultz introduced:

H. F. No. 1944, A bill for an act relating to taxation; providing for career and technical education; establishing a high school apprenticeship pilot program with a refundable income tax credit for employers; appropriating money; requiring a report.

The bill was read for the first time and referred to the Committee on Education Innovation Policy.

Neu; Davids; Johnson, B.; Jessup; Theis; Peppin; Loon and Daudt introduced:

H. F. No. 1945, A bill for an act relating to taxation; individual income; allowing a subtraction for Social Security benefits; amending Minnesota Statutes 2016, sections 290.0132, by adding a subdivision; 290.091, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 290.

The bill was read for the first time and referred to the Committee on Taxes.

Theis, Omar, Liebling and Pierson introduced:

H. F. No. 1946, A bill for an act relating to community development; establishing a Somali community development pilot grant program; requiring reports; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116J.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Smith; Fenton; Nash; Hoppe; Kresha; Anderson, S., and Franson introduced:

H. F. No. 1947, A bill for an act relating to commerce; regulating insurance adjusters; modifying the definition of adjuster; amending Minnesota Statutes 2016, section 72B.03, subdivision 1.

The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform.

Hansen; Ecklund; Murphy, M.; Wagenius and Loeffler introduced:

H. F. No. 1948, A bill for an act relating to agriculture; establishing moratorium on deer farms.

The bill was read for the first time and referred to the Committee on Agriculture Policy.

Sundin; Johnson, C.; Wagenius; Clark; Becker-Finn and Hansen introduced:

H. F. No. 1949, A bill for an act relating to pipelines; providing owners of certain types of land the option to require a pipeline proposing to locate on that land to purchase any amount of the owner's contiguous land; modifying fees and penalties; providing for the disposition of abandoned pipelines; requiring a report; requiring a change in rules; amending Minnesota Statutes 2016, sections 216G.07, subdivisions 6, 7, 10, by adding a subdivision; 216G.09; proposing coding for new law in Minnesota Statutes, chapter 216G.

The bill was read for the first time and referred to the Committee on Civil Law and Data Practices Policy.

Albright; Thissen; Anderson, S.; Quam and Davnie introduced:

H. F. No. 1950, A bill for an act relating to economic development; creating a federal research and development support program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116J.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Albright; Thissen; Anderson, S.; Quam and Davnie introduced:

H. F. No. 1951, A bill for an act relating to economic development; appropriating money for small business technological assistance.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Gruenhagen introduced:

H. F. No. 1952, A bill for an act relating to taxation; income and corporate franchise tax; allowing a tax credit for certain expenditures related to railroad crossings; proposing coding for new law in Minnesota Statutes, chapter 290.

The bill was read for the first time and referred to the Committee on Taxes.

Wills introduced:

H. F. No. 1953, A bill for an act relating to transportation; appropriating money for a railroad quiet zone in Rosemount.

The bill was read for the first time and referred to the Committee on Transportation Finance.

Lesch introduced:

H. F. No. 1954, A bill for an act relating to the city of St. Paul; increasing the authorized local lodging tax rate; amending Laws 1986, chapter 462, section 31, as amended.

The bill was read for the first time and referred to the Committee on Taxes.

Davids introduced:

H. F. No. 1955, A bill for an act relating to taxation; property; exempting certain leased public park property during the term of outstanding leases; amending Laws 2013, chapter 143, article 17, section 10.

The bill was read for the first time and referred to the Committee on Taxes.

Howe, Bernardy, Petersburg and Koznick introduced:

H. F. No. 1956, A bill for an act relating to transportation; requiring the use of remaining service life in pavement management processes; amending Minnesota Statutes 2016, section 174.185, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Transportation and Regional Governance Policy.

Howe and Koznick introduced:

H. F. No. 1957, A bill for an act relating to transportation; highways; requiring the commissioner of transportation to utilize pavement material with a design life of at least 20 years; amending Minnesota Statutes 2016, section 174.185, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Transportation and Regional Governance Policy.

Loon, Thissen, Kresha, Peterson and Anselmo introduced:

H. F. No. 1958, A bill for an act relating to state government; education finance; establishing the early education access fund in the Department of Administration; establishing a director of early education and development within the early education access fund; providing for enhanced coordination of early education and development programs; authorizing early education resource hubs; requiring a report; transferring certain early education programs to the director of early education and development; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 119C.

The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy.

Howe introduced:

H. F. No. 1959, A bill for an act relating to transportation; establishing an active transportation program to support bicycle, pedestrian, and other nonmotorized transportation activities; allocating certain general sales tax revenue; requiring a legislative report; amending Minnesota Statutes 2016, section 297A.94; proposing coding for new law in Minnesota Statutes, chapter 174.

The bill was read for the first time and referred to the Committee on Transportation and Regional Governance Policy.

Dehn, R., introduced:

H. F. No. 1960, A bill for an act relating to human rights; classifying data collected under the workforce certificate of compliance; amending Minnesota Statutes 2016, section 363A.36, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Lohmer, Scott and Quam introduced:

H. F. No. 1961, A bill for an act relating to human services; requiring the commissioner of human services to establish a bundled payment for maternity and newborn care; amending Minnesota Statutes 2016, section 256B.0755, subdivisions 1, 4.

The bill was read for the first time and referred to the Committee on Health and Human Services Reform.

Lohmer; Daudt; Whelan; Peppin; Dean, M.; Rarick; McDonald; Scott; Miller; Lucero; Bennett; Franson; Backer; Grossell; Johnson, B.; Quam; Gruenhagen and Theis introduced:

H. F. No. 1962, A bill for an act relating to health; modifying requirements for the distribution of grants to provide family planning services; amending Minnesota Statutes 2016, sections 145.882, subdivisions 2, 3, 7; 145.925, subdivisions 1, 1a, by adding subdivisions; repealing Minnesota Statutes 2016, section 145.925, subdivision 2.

The bill was read for the first time and referred to the Committee on Health and Human Services Reform.

Lohmer introduced:

H. F. No. 1963, A bill for an act relating to education finance; clarifying the use of school district bond proceeds; amending Minnesota Statutes 2016, sections 126C.10, subdivision 15; 126C.40, by adding a subdivision; 126C.55, subdivision 1; 475.58, subdivision 4.

The bill was read for the first time and referred to the Committee on Education Finance.

Lohmer introduced:

H. F. No. 1964, A bill for an act relating to elections; authorizing recall elections for school board members; amending Minnesota Statutes 2016, sections 123B.09, subdivisions 3, 5b; 351.14, subdivisions 3, 5, by adding a subdivision; 351.15; 351.16, subdivisions 1, 2, 3, 4; 351.18; 351.19, subdivision 4; 351.20; 351.21; 351.22, subdivisions 1, 2.

The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy.

Flanagan introduced:

H. F. No. 1965, A bill for an act relating to state government; providing a phased-in minimum wage increase; enabling low-income workers to meet basic needs; increasing the working family credit; providing increased child care assistance to all low-income workers and increasing reimbursement rates; increasing MFIP grants; providing funding by closing a tax loophole for high-income individuals with income exempt from Social Security taxes; authorizing rulemaking; appropriating money; amending Minnesota Statutes 2016, sections 119B.02, subdivisions 1, 2; 119B.03, subdivisions 3, 9, 10; 119B.035, subdivisions 1, 2, 4, 5; 119B.05, subdivision 5; 119B.08, subdivision 3; 119B.09, subdivision 7; 119B.10; 119B.11, subdivision 1; 119B.12, subdivision 2; 119B.13, subdivision 1; 119B.15; 119B.24; 177.24, subdivision 1; 256J.24, subdivision 5; 290.0671, subdivision 1, as amended; proposing coding for new law in Minnesota Statutes, chapter 290; repealing Minnesota Statutes 2016, sections 119B.011, subdivisions 20, 20a; 119B.03, subdivisions 1, 2, 4, 5, 6, 6a, 6b, 8; 119B.05, subdivision 1; 119B.07; 119B.09, subdivisions 3, 4a; 119B.11, subdivision 4; 290.0671, subdivision 7.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Peterson; Christensen; Erickson; Bahr, C., and Jessup introduced:

H. F. No. 1966, A bill for an act relating to education; modifying school performance reports; creating a school rating system; amending Minnesota Statutes 2016, section 120B.36, subdivision 1, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Education Innovation Policy.

Lesch; Murphy, E.; Moran; Omar; Olson; Mahoney; Wagenius; Clark; Ecklund; Schultz; Lee; Metsa; Koegel; Johnson, S.; Hausman and Carlson, A., introduced:

H. F. No. 1967, A bill for an act relating to employment; providing for earned sick and safe time; authorizing rulemaking; imposing civil penalties; requiring reports; proposing coding for new law in Minnesota Statutes, chapters 177; 181; repealing Minnesota Statutes 2016, section 181.9413.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Ecklund introduced:

H. F. No. 1968, A bill for an act relating to taxation; minerals; providing clarification for previously distributed taconite tax proceeds.

The bill was read for the first time and referred to the Committee on Taxes.

Thissen introduced:

H. F. No. 1969, A bill for an act relating to state government; repealing the authority for the state auditor to bill for services; providing funding for the Office of the State Auditor from the general fund; appropriating money; amending Minnesota Statutes 2016, sections 6.49; 6.61; repealing Minnesota Statutes 2016, sections 6.481, subdivision 6; 6.56, subdivisions 2, 3; 6.57; 6.581, subdivisions 1, 3, 4; 6.59; 6.60; 6.62; 6.68, subdivision 2; 6.69, subdivision 2.

The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy.

Thissen introduced:

H. F. No. 1970, A bill for an act relating to education; creating an Early Care and Learning Commission; coordinating early care and learning activities across Minnesota; authorizing early care and learning funds to be reallocated; appropriating money; amending Minnesota Statutes 2016, sections 4.045; 119A.03, subdivision 2; 119B.02, subdivision 1; 127A.05, by adding a subdivision; 144.05, subdivisions 1, 2; 145A.17, subdivision 1.

The bill was read for the first time and referred to the Committee on Education Innovation Policy.

Torkelson introduced:

H. F. No. 1971, A bill for an act relating to state lands; authorizing conveyance of certain land.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Policy and Finance.

Freiberg and Carlson, L., introduced:

H. F. No. 1972, A bill for an act relating to economic development; appropriating money for a grant to the Minnesota Association for Volunteer Administration; requiring reports.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Peterson, Hertaus and Mariani introduced:

H. F. No. 1973, A bill for an act relating to education finance; increasing funding for adult basic education; creating supplemental aid; appropriating money; amending Minnesota Statutes 2016, section 124D.531, subdivision 1, by adding subdivisions.

The bill was read for the first time and referred to the Committee on Education Finance.

Albright, Hoppe, Slocum and Halverson introduced:

H. F. No. 1974, A bill for an act relating to insurance; requiring parity between mental health benefits and other medical benefits; defining mental health and substance use disorder; requiring health plan transparency; requiring accountability from the commissioners of health and commerce; amending Minnesota Statutes 2016, sections 62Q.01, by adding subdivisions; 62Q.47.

The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform.

Vogel introduced:

H. F. No. 1975, A bill for an act relating to municipal contracting; narrowing a bidding exception for certain water tank service contracts; amending Minnesota Statutes 2016, section 471.345, subdivision 5b.

The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy.

Garofalo introduced:

H. F. No. 1976, A bill for an act relating to solid waste; modifying requirements for establishing organized collection; amending Minnesota Statutes 2016, section 115A.94, subdivisions 3, 4a, 4b, 4d.

The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy.

Ecklund introduced:

H. F. No. 1977, A bill for an act relating to capital investment; appropriating money for public infrastructure in the city of Ely; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Olson, Schultz and McDonald introduced:

H. F. No. 1978, A bill for an act relating to taxation; sales and use; providing an exemption for nonprofit corporations operating ice arenas or ice rinks used primarily for youth and high school programs; amending Minnesota Statutes 2016, section 297A.70, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Taxes.

Nash introduced:

H. F. No. 1979, A bill for an act relating to health; protecting physician-patient relationship by prohibiting noncompete agreements; proposing coding for new law in Minnesota Statutes, chapter 145.

The bill was read for the first time and referred to the Committee on Health and Human Services Reform.

Sandstede introduced:

H. F. No. 1980, A bill for an act relating to state government; extending the statute of limitations for a minor child filing a claim under the Human Rights Act; amending Minnesota Statutes 2016, sections 363A.07, subdivision 3; 363A.28, subdivision 3, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Nash, Albright, Hoppe and McDonald introduced:

H. F. No. 1981, A bill for an act relating to transportation; authorizing cities and towns to apply for replacement service during a certain period; amending Minnesota Statutes 2016, section 473.388, subdivision 2.

The bill was read for the first time and referred to the Committee on Transportation and Regional Governance Policy.

Koegel, Runbeck and West introduced:

H. F. No. 1982, A bill for an act relating to capital investment; appropriating money to the Amateur Sports Commission for field expansion and other improvements at the National Sports Center; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on State Government Finance.

Koegel, Runbeck and West introduced:

H. F. No. 1983, A bill for an act relating to capital investment; appropriating money for asset preservation for the Minnesota Amateur Sports Commission; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on State Government Finance.

Barr, R.; Fenton and Franke introduced:

H. F. No. 1984, A bill for an act relating to transportation; capital investment; appropriating money for expansion and renovation of the civil air patrol training and maintenance facility at the South St. Paul airport.

The bill was read for the first time and referred to the Committee on Transportation Finance.



Davids introduced:

H. F. No. 1985, A bill for an act relating to taxation; property; modifying the taxation of electric generation and distribution equipment and machinery; amending Minnesota Statutes 2016, sections 216B.1621, subdivision 2; 216B.164, subdivision 2a; 272.02, subdivision 10; 273.11, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 273; 477A; repealing Minnesota Statutes 2016, sections 272.02, subdivisions 29, 33, 44, 45, 47, 52, 54, 55, 56, 68, 70, 71, 84, 89, 92, 93, 96, 99; 272.0211.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Bernardy and Kunes-Podein introduced:

H. F. No. 1986, A bill for an act relating to legacy; appropriating money for aquatic invasive species work.

The bill was read for the first time and referred to the Committee on Legacy Funding Finance.

Bernardy and Kunes-Podein introduced:

H. F. No. 1987, A bill for an act relating to natural resources; appropriating money for aquatic invasive species grants; proposing coding for new law in Minnesota Statutes, chapter 84D.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Policy and Finance.

Olson and Schultz introduced:

H. F. No. 1988, A bill for an act relating to taxation; tax increment financing; modifying special authority for the Seaway Port Authority of Duluth; amending Laws 2009, chapter 88, article 5, section 17, as amended.

The bill was read for the first time and referred to the Committee on Taxes.

Considine introduced:

H. F. No. 1989, A bill for an act relating to higher education; providing for a Principals' Leadership Institute at Minnesota State University Mankato; appropriating money; amending Minnesota Statutes 2016, section 122A.74, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 136F.

The bill was read for the first time and referred to the Committee on Higher Education and Career Readiness Policy and Finance.

Albright introduced:

H. F. No. 1990, A bill for an act relating to mass transit; modifying the amount of financial assistance provided to replacement transit service providers; amending Minnesota Statutes 2016, section 473.388, subdivision 4.

The bill was read for the first time and referred to the Committee on Transportation Finance.

Thissen introduced:

H. F. No. 1991, A bill for an act relating to transportation; modifying provisions governing bicycle operation and stopping; amending Minnesota Statutes 2016, section 169.222, subdivision 4, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Transportation and Regional Governance Policy.

Albright introduced:

H. F. No. 1992, A bill for an act relating to health occupations; requiring mental health assessment and training as part of continuing education requirements for primary care providers; requiring rulemaking; amending Minnesota Statutes 2016, section 214.12, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Health and Human Services Reform.

Hamilton introduced:

H. F. No. 1993, A bill for an act relating to health; modifying provisions in the Medical Cannabis Therapeutic Research Act; amending Minnesota Statutes 2016, sections 144.99, subdivision 1; 152.25, subdivision 1, by adding a subdivision; 152.29, subdivisions 1, 3; proposing coding for new law in Minnesota Statutes, chapter 152; repealing Minnesota Statutes 2016, section 152.33, subdivision 6.

The bill was read for the first time and referred to the Committee on Health and Human Services Reform.

Torkelson; Fabian; Anderson, P.; Hamilton; Pierson; Gruenhagen; Bennett and Bahr, C., introduced:

H. F. No. 1994, A bill for an act relating to natural resources; modifying requirements for buffers on public waters and drainage ditches; clarifying certain rulemaking for soil loss ordinances; amending Minnesota Statutes 2016, sections 103B.101, subdivision 12a; 103F.411, subdivision 1; 103F.48, subdivisions 1, 3, 7.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Policy and Finance.

Green, Peppin, Loonan, Nelson and Ecklund introduced:

H. F. No. 1995, A bill for an act relating to local government; providing for effect of orderly annexation agreement; limiting the annexation by ordinance of certain parcels; amending Minnesota Statutes 2016, section 414.0325, subdivision 6.

The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy.

Hilstrom and Baker introduced:

H. F. No. 1996, A bill for an act relating to health; requiring continuing education for prescribers and dispensers of controlled substances; amending Minnesota Statutes 2016, sections 147A.24, subdivision 1; 214.12, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Health and Human Services Reform.

Kresha; Loon; Flanagan; Pinto; Daudt; Cornish; Anselmo; Moran; Theis; Bennett; Mariani; Anderson, S., and Urdahl introduced:

H. F. No. 1997, A bill for an act relating to education; health; modifying child eligibility for the early learning scholarship program; modifying the administration of the early learning scholarship program; establishing a targeted home visiting grant program for high-risk populations; appropriating money; amending Minnesota Statutes 2016, section 124D.165, subdivisions 1, 2, 3.

The bill was read for the first time and referred to the Committee on Education Finance.

Howe, Considine, Dettmer and Ecklund introduced:

H. F. No. 1998, A bill for an act relating to taxation; property; modifying the definition of income for the property tax refund; amending Minnesota Statutes 2016, section 290A.03, subdivision 3.

The bill was read for the first time and referred to the Committee on Taxes.

Ecklund introduced:

H. F. No. 1999, A bill for an act relating to capital investment; appropriating money for a trailhead facility in Ely and predesign of certain road access; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Hertaus, Pelowski, Scott, Runbeck, Pugh, Gruenhagen and Petersburg introduced:

H. F. No. 2000, A bill for an act relating to metropolitan government; transferring all long-range transportation planning functions from the Metropolitan Council to the Department of Transportation; amending Minnesota Statutes 2016, sections 174.03, by adding a subdivision; 473.145; 473.146; 473.1466; 473.166; 473.167, subdivision 2; 473.168, subdivision 2; 473.181, subdivision 5; 473.192, subdivision 2; 473.375, subdivision 9a.

The bill was read for the first time and referred to the Committee on Transportation and Regional Governance Policy.

Flanagan, Albright, Pinto and Mahoney introduced:

H. F. No. 2001, A bill for an act relating to taxation; income; allowing individual and corporate credits for employer-provided child care; proposing coding for new law in Minnesota Statutes, chapter 290.

The bill was read for the first time and referred to the Committee on Taxes.

Flanagan, Albright, Pinto and Mahoney introduced:

H. F. No. 2002, A bill for an act relating to employer-provided child care; requiring a report; appropriating money.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Flanagan, Schomacker, Pinto and Franson introduced:

H. F. No. 2003, A bill for an act relating to child care; requiring reports; appropriating money for child care business training.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Garofalo introduced:

H. F. No. 2004, A bill for an act relating to taxation; sales and use; providing a reduced rate for electricity, natural or artificial gas, propane, and water sold to restaurants; amending Minnesota Statutes 2016, section 297A.62, subdivision 1, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Taxes.

Pugh introduced:

H. F. No. 2005, A bill for an act relating to health; requiring health care providers administering vaccines to disclose certain information to patients; requiring reports of adverse reactions to vaccines; specifying content of an informed consent form; proposing coding for new law in Minnesota Statutes, chapter 144.

The bill was read for the first time and referred to the Committee on Health and Human Services Reform.

Albright, Hamilton, Pryor, Schultz and Murphy, E., introduced:

H. F. No. 2006, A bill for an act relating to capital investment; appropriating money for a University of Minnesota health sciences education facility at the Twin Cities campus; authorizing the issuance of state bonds.

The bill was read for the first time and referred to the Committee on Higher Education and Career Readiness Policy and Finance.

Drazkowski introduced:

H. F. No. 2007, A bill for an act relating to state lands; requiring sale of certain surplus state land.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Policy and Finance.

Ecklund introduced:

H. F. No. 2008, A bill for an act relating to natural resources; modifying requirements for certain grant-in-aid applications; amending Minnesota Statutes 2016, section 84.8031.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Policy and Finance.

Lesch and Lucero introduced:

H. F. No. 2009, A bill for an act relating to data privacy; prohibiting access by a government entity to electronic communication held by a service provider or other third party unless certain procedures are followed; providing certain limits on data retention; providing remedies; requiring a report; proposing coding for new law in Minnesota Statutes, chapter 626A.

The bill was read for the first time and referred to the Committee on Civil Law and Data Practices Policy.

Theis introduced:

H. F. No. 2010, A bill for an act relating to taxation; allowing the city of St. Cloud to increase the rate of certain local taxes; amending Laws 1998, chapter 389, article 8, section 44, subdivisions 3, 4.

The bill was read for the first time and referred to the Committee on Taxes.

Lueck and Dettmer introduced:

H. F. No. 2011, A bill for an act relating to the military; designating June 29 as General John Vessey Day; requiring the placement of a General John Vessey statue in the State Capitol; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 10.

The bill was read for the first time and referred to the Committee on State Government Finance.

Heintzeman, Liebling, Backer and Considine introduced:

H. F. No. 2012, A bill for an act relating to human services; appropriating money for mental health grants.

The bill was read for the first time and referred to the Committee on Health and Human Services Finance.

Hamilton introduced:

H. F. No. 2013, A bill for an act relating to construction codes; modifying accessibility requirements for public buildings; amending Minnesota Statutes 2016, section 326B.106, subdivision 9.

The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform.

Knoblach and Theis introduced:

H. F. No. 2014, A bill for an act relating to taxation; sales and use; exempting admissions to certain nonprofit BMX tracks; amending Minnesota Statutes 2016, section 297A.70, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Taxes.

Gunther introduced:

H. F. No. 2015, A bill for an act relating to natural resources; requiring waiver of certain limitations on water appropriations for municipal drinking water supply; amending Minnesota Statutes 2016, section 103G.285, subdivision 1.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Policy and Finance.

Clark and Hamilton introduced:

H. F. No. 2016, A bill for an act relating to health; establishing a pilot program to provide health and wellness information, services, and referrals to East African seniors; appropriating money.

The bill was read for the first time and referred to the Committee on Health and Human Services Reform.

Clark and Hamilton introduced:

H. F. No. 2017, A bill for an act relating to public safety; establishing a grant to Voice of East African Women for programs to reduce recruitment of East African youth by violent organizations; establishing a grant to local governments with populations at risk for recruitment by violent organizations; appropriating money.

The bill was read for the first time and referred to the Committee on Public Safety and Security Policy and Finance.

Clark introduced:

H. F. No. 2018, A bill for an act relating to workforce development; appropriating funds to Community Priority One for job training, job referrals, and housing assistance.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Franson introduced:

H. F. No. 2019, A bill for an act relating to public safety; prohibiting predatory offenders required to register from accessing and using augmented reality games; amending Minnesota Statutes 2016, sections 243.166, subdivisions 1a, 4; 244.05, subdivision 6.

The bill was read for the first time and referred to the Committee on Public Safety and Security Policy and Finance.

Peterson, Mariani, Bennett and Slocum introduced:

H. F. No. 2020, A bill for an act relating to education finance; modifying grants for teacher-governed schools; appropriating money; amending Minnesota Statutes 2016, section 123B.045, subdivision 2a.

The bill was read for the first time and referred to the Committee on Education Finance.

Knoblach, Loon and Theis introduced:

H. F. No. 2021, A bill for an act relating to education finance; increasing funding for special education activities; appropriating money; amending Minnesota Statutes 2016, sections 125A.76, subdivisions 1, 2a, 2c; 125A.79, subdivision 5; repealing Minnesota Statutes 2016, sections 125A.75, subdivision 7; 125A.76, subdivision 2b.

The bill was read for the first time and referred to the Committee on Education Finance.

Davids; Anderson, S.; Koznick; Marquart and Knoblach introduced:

H. F. No. 2022, A bill for an act relating to taxation; individual income; providing sourcing rules for income of nonresident board members; amending Minnesota Statutes 2016, section 290.191, subdivision 5.

The bill was read for the first time and referred to the Committee on Taxes.

Omar, Zerwas and Albright introduced:

H. F. No. 2023, A bill for an act relating to health occupations; establishing a registry system for spoken language health care interpreters; appropriating money; amending Minnesota Statutes 2016, section 256B.0625, subdivision 18a; proposing coding for new law as Minnesota Statutes, chapter 146C; repealing Minnesota Statutes 2016, section 144.058.

The bill was read for the first time and referred to the Committee on Health and Human Services Reform.

Neu, Baker, Mahoney and Gunther introduced:

H. F. No. 2024, A bill for an act relating to vocational rehabilitation; providing for rate increases for providers of extended employment services; appropriating money; amending Minnesota Statutes 2016, section 268A.15, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Backer, Kresha and Zerwas introduced:

H. F. No. 2025, A bill for an act relating to child protection; modifying monthly caseworker visit requirements; expanding report definition; modifying local welfare agency screening and assessment or investigation duties; amending Minnesota Statutes 2016, sections 260C.212, subdivision 4a; 626.556, subdivisions 2, 3c, 10.

The bill was read for the first time and referred to the Committee on Health and Human Services Reform.

Drazkowski introduced:

H. F. No. 2026, A bill for an act relating to health insurance; authorizing the sale and purchase of health plans that do not include all mandated health benefits; proposing coding for new law in Minnesota Statutes, chapter 62Q.

The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform.

Davids introduced:

H. F. No. 2027, A bill for an act relating to taxation; individual income; allowing a subtraction for certain medical care deductibles; amending Minnesota Statutes 2016, sections 290.0132, by adding a subdivision; 290.091, subdivision 2.

The bill was read for the first time and referred to the Committee on Taxes.

Fischer; Torkelson; Dean, M.; Ward; Fenton; Fabian; Johnson, C.; Runbeck; Becker-Finn; Ecklund and Lillie introduced:

H. F. No. 2028, A bill for an act relating to water; exempting certain storm water use from water-use permit requirements; amending Minnesota Statutes 2016, sections 103G.005, by adding a subdivision; 103G.271, subdivision 1.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Policy and Finance.

Fischer introduced:

H. F. No. 2029, A bill for an act relating to capital investment; appropriating money for public infrastructure in the city of Willernie; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Maye Quade and Flanagan introduced:

H. F. No. 2030, A bill for an act relating to adoption; modifying provisions governing access to original birth records and other adoption-related information; modifying provisions related to affidavits of disclosure and nondisclosure; providing for a contact preference form; appropriating money; amending Minnesota Statutes 2016,



sections 13.10, subdivision 5; 13.465, subdivision 8; 144.218, subdivision 1; 144.225, subdivision 2; 144.2252; 144.226, subdivision 1; 259.83, subdivisions 1, 1a, 1b, 3, 4, by adding a subdivision; 259.89; 260C.317, subdivision 4; 260C.637; proposing coding for new law in Minnesota Statutes, chapters 144; 259; repealing Minnesota Statutes 2016, sections 144.212, subdivision 11; 259.89, subdivisions 5, 6.

The bill was read for the first time and referred to the Committee on Health and Human Services Reform.

Pierson, Loeffler, Hertauss, Youakim, Hansen and Wills introduced:

H. F. No. 2031, A bill for an act relating to capital investment; appropriating money for shade tree replacement; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Agriculture Finance.

Pierson, Loeffler, Hertauss, Youakim, Hansen and Wills introduced:

H. F. No. 2032, A bill for an act relating to agriculture; appropriating money for shade tree replacement.

The bill was read for the first time and referred to the Committee on Agriculture Finance.

Peterson introduced:

H. F. No. 2033, A bill for an act relating to transportation; appropriating money for Interstate Highway 35W construction projects; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Transportation Finance.

Peterson introduced:

H. F. No. 2034, A bill for an act relating to transportation; highways; appropriating money for replacement of the marked Interstate Highway 35W bridge over the Minnesota River; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Transportation Finance.

Anselmo, Urdahl and Peterson introduced:

H. F. No. 2035, A bill for an act relating to arts and cultural heritage; appropriating money for Midwest Art Conservation Center.

The bill was read for the first time and referred to the Committee on Legacy Funding Finance.

Poppe; Dehn, R., and Gunther introduced:

H. F. No. 2036, A bill for an act relating to rural development; creating a pilot project for community design that addresses community assets, needs, and goals for growth in culture, arts, humanities, recreation, and community design in greater Minnesota; appropriating money.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Backer introduced:

H. F. No. 2037, A bill for an act relating to county program aid; creating jail administration program aid to counties; appropriating money; amending Minnesota Statutes 2016, sections 477A.0124, subdivision 2, by adding a subdivision; 477A.03, subdivision 2b.

The bill was read for the first time and referred to the Committee on Taxes.

Scott and Heintzeman introduced:

H. F. No. 2038, A bill for an act relating to data practices; modifying provisions on personnel data; requiring disclosure of certain sources of remuneration; amending Minnesota Statutes 2016, section 13.43, subdivision 2.

The bill was read for the first time and referred to the Committee on Civil Law and Data Practices Policy.

Pugh introduced:

H. F. No. 2039, A bill for an act relating to elections; requiring status changes and removals from the statewide voter registration system to be included in public information lists; amending Minnesota Statutes 2016, section 201.091, subdivision 4.

The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy.

Pugh introduced:

H. F. No. 2040, A bill for an act relating to elections; amending the postelection sampling report requirements for county auditors and the secretary of state; amending Minnesota Statutes 2016, section 201.121, subdivision 3.

The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy.

Davnie introduced:

H. F. No. 2041, A bill for an act relating to education; directing the Board of Teaching to adopt standards for an endorsement enabling licensed high school teachers to provide dual enrollment instruction at a high school; amending Minnesota Statutes 2016, section 122A.09, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Education Innovation Policy.

Pryor introduced:

H. F. No. 2042, A bill for an act relating to state lands; authorizing private sale of certain tax-forfeited land that borders public water.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Policy and Finance.

Gruenhagen introduced:

H. F. No. 2043, A bill for an act relating to taxation; property; exempting charter schools renting property from private individuals from property tax; amending Minnesota Statutes 2016, section 272.02, subdivision 42.

The bill was read for the first time and referred to the Committee on Taxes.

Grossell, Bliss and Hausman introduced:

H. F. No. 2044, A bill for an act relating to capital investment; appropriating money for the Heartland Trail extension from Park Rapids to Itasca State Park; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Policy and Finance.

Dehn, R., introduced:

H. F. No. 2045, A bill for an act relating to workforce development; modifying limitations on EMERGE Community Development's eligibility to participate in competitive grant programs; amending Laws 2015, First Special Session chapter 1, article 1, section 2, subdivision 8.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Davids introduced:

H. F. No. 2046, A bill for an act relating to taxation; income; providing for a prepared food donation credit; amending Minnesota Statutes 2016, sections 290.0131, by adding a subdivision; 290.0133, by adding a subdivision; 290.06, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Taxes.

Franke, Fenton, Kiel, Peterson, Uglem, Schultz, Haley, Albright, Lohmer, Hansen, Considine, O'Neill, Poston, Jurgens, Nash, Maye Quade and Lee introduced:

H. F. No. 2047, A bill for an act relating to health; requiring the commissioner of health to develop a comprehensive strategic plan to end HIV/AIDS.

The bill was read for the first time and referred to the Committee on Health and Human Services Reform.

Nash, Kiel and Rarick introduced:

H. F. No. 2048, A bill for an act relating to government contracting; modifying best value contract requirements; amending Minnesota Statutes 2016, section 16C.28, subdivision 1b.

The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy.

Kiel; Anderson, P.; Poppe; Pierson; Mahoney; Jurgens and Poston introduced:

H. F. No. 2049, A bill for an act relating to agriculture; establishing a farm-to-school program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 17.

The bill was read for the first time and referred to the Committee on Agriculture Policy.

West, Fenton and Nelson introduced:

H. F. No. 2050, A bill for an act relating to elections; allowing voter electronic signatures for purposes of electronic rosters; amending Minnesota Statutes 2016, section 201.225, subdivisions 2, 4, 5.

The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy.

Moran introduced:

H. F. No. 2051, A bill for an act relating to education; providing for a system redesign of support services for homeless families; modifying eligibility for early learning scholarships; requiring a report; appropriating money; amending Minnesota Statutes 2016, section 124D.165, subdivision 2.

The bill was read for the first time and referred to the Committee on Education Innovation Policy.

Schomacker, Gunther, Thissen and Garofalo introduced:

H. F. No. 2052, A bill for an act relating to energy; modifying certain permitting provisions for renewable energy systems; amending Minnesota Statutes 2016, sections 216B.243, subdivision 8; 216E.03, subdivisions 3, 9; 216E.04, subdivision 7; 216F.01, subdivision 2; 216F.011; 216F.04; repealing Minnesota Statutes 2016, section 216F.081.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Theis, Vogel and Knoblach introduced:

H. F. No. 2053, A bill for an act relating to economic development; appropriating money for a grant for small business development centers.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Applebaum, Masin, Gunther and Bly introduced:

H. F. No. 2054, A bill for an act relating to animals; prohibiting the knowing euthanasia of pet or companion animals with nonanesthetic gas at certain facilities; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 343.

The bill was read for the first time and referred to the Committee on Agriculture Policy.

Gruenhagen and Fischer introduced:

H. F. No. 2055, A bill for an act relating to juveniles; safety and placement; providing for the emancipation of minors in certain situations; amending Minnesota Statutes 2016, section 518A.39, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 260C.

The bill was read for the first time and referred to the Committee on Civil Law and Data Practices Policy.

Hertaus, Drazkowski, Lesch, Pugh and Scott introduced:

H. F. No. 2056, A bill for an act relating to courts; lowering or eliminating certain court-related fees; amending Minnesota Statutes 2016, sections 357.021, subdivision 2; 609.748, subdivision 3a.

The bill was read for the first time and referred to the Committee on Public Safety and Security Policy and Finance.

Uglen introduced:

H. F. No. 2057, A bill for an act relating to solid waste; making compliance with the metropolitan long-range solid waste policy plan optional; requiring rulemaking for the revision of certain solid waste standards; amending Minnesota Statutes 2016, sections 473.149, subdivisions 1, 3; 473.516, subdivision 2; 473.803, subdivision 1c; 473.811, subdivisions 1, 4a; 473.823, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 115A.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Policy and Finance.

Nash introduced:

H. F. No. 2058, A bill for an act relating to eminent domain; eliminating certain procedural exceptions for construction or expansion of light rail or bus rapid transit lines; amending Minnesota Statutes 2016, section 117.189.

The bill was read for the first time and referred to the Committee on Civil Law and Data Practices Policy.

Ecklund and Layman introduced:

H. F. No. 2059, A bill for an act relating to local government aid; modifying payment in lieu of taxes provisions for large forest easement lands; appropriating money; amending Minnesota Statutes 2016, sections 477A.11, by adding a subdivision; 477A.12, subdivisions 1, 2; 477A.14, subdivision 3.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Policy and Finance.

McDonald; Nash; Hoppe; Zerwas; Hamilton; Baker; Dean, M.; Bahr, C.; Albright; Marquart; Carlson, L.; Maye Quade; Rarick; Murphy, M.; Dettmer; Lillie; Davids; Koznick; Urdahl; Drazkowski and Thissen introduced:

H. F. No. 2060, A bill for an act relating to taxation; sales and use; county agricultural societies; providing an exemption for county agricultural society sales at county fairs; amending Minnesota Statutes 2016, sections 38.27, by adding a subdivision; 297A.70, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Taxes.

Swedzinski, Torkelson and Davids introduced:

H. F. No. 2061, A bill for an act relating to taxation; sales and use; providing an exemption for purchases used in providing transportation and public transit services; amending Minnesota Statutes 2016, sections 297A.70, by adding a subdivision; 297A.71, by adding a subdivision; 297A.75, subdivisions 1, 2, 3; 297B.03.

The bill was read for the first time and referred to the Committee on Transportation Finance.

Slocum introduced:

H. F. No. 2062, A bill for an act relating to commerce; regulating applicants and licensees; amending Minnesota Statutes 2016, sections 47.54, subdivision 1; 52.07; 53B.10, subdivision 1; 53B.13; 58.02, subdivision 18; 58.04, subdivision 1; 58.11, subdivision 2; 58A.02, subdivision 8; 58A.03, subdivision 2; 58A.04, by adding a subdivision; 58A.05; 58A.13; 58A.16, subdivision 1; 332.54; 332.55; 332.57, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 45; repealing Minnesota Statutes 2016, section 332.57, subdivision 2.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Theis, Olson and Peterson introduced:

H. F. No. 2063, A bill for an act relating to health; modifying the duties of the Home Care Provider Advisory Council with respect to the use of revenue generated by fines on providers; appropriating money; amending Minnesota Statutes 2016, sections 144A.474, subdivision 11; 144A.4799, subdivision 3.

The bill was read for the first time and referred to the Committee on Health and Human Services Finance.

Davids introduced:

H. F. No. 2064, A bill for an act relating to taxation; individual income; providing a subtraction for health insurance premiums; amending Minnesota Statutes 2016, sections 290.0132, by adding a subdivision; 290.091, subdivision 2.

The bill was read for the first time and referred to the Committee on Taxes.

Zerwas, Gruenhagen, Loonan and Pugh introduced:

H. F. No. 2065, A bill for an act relating to health; modifying record and data provisions for quality of care complaints; amending Minnesota Statutes 2016, section 62D.115, subdivision 4.

The bill was read for the first time and referred to the Committee on Health and Human Services Reform.

### MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 30, A bill for an act relating to liquor; permitting off-sale intoxicating liquor sales on Sundays; amending Minnesota Statutes 2016, section 340A.504, subdivision 4.

CAL R. LUDEMAN, Secretary of the Senate

### CONCURRENCE AND REPASSAGE

Loon moved that the House concur in the Senate amendments to H. F. No. 30 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 30, A bill for an act relating to liquor; permitting the off-sale of intoxicating liquor on Sundays; prohibiting certain deliveries on Sunday; amending Minnesota Statutes 2016, section 340A.504, subdivision 4.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 88 yeas and 39 nays as follows:

Those who voted in the affirmative were:

Albright	Bly	Dehn, R.	Halverson	Jessup	Liebling
Allen	Carlson, A.	Drazkowski	Hamilton	Johnson, C.	Lien
Anderson, S.	Carlson, L.	Fenton	Hansen	Jurgens	Lillie
Anselmo	Christensen	Flanagan	Hausman	Kiel	Loeffler
Bahr, C.	Clark	Franke	Heintzeman	Koegel	Lohmer
Barr, R.	Cornish	Franson	Hertaus	Koznick	Loon
Becker-Finn	Daniels	Freiberg	Hilstrom	Kresha	Loonan
Bennett	Davnie	Garofalo	Hornstein	Lee	Lucero
Bliss	Dean, M.	Haley	Hortman	Lesch	Lueck

Masin	Omar	Pierson	Rarick	Smith	Whelan
McDonald	O'Neill	Pinto	Rosenthal	Thissen	Youakim
Moran	Pelowski	Poppe	Runbeck	Uglen	Zerwas
Murphy, E.	Peppin	Poston	Sauke	Vogel	Spk. Daudt
Nash	Petersburg	Pryor	Scott	Ward	
Neu	Peterson	Pugh	Slocum	West	

Those who voted in the negative were:

Anderson, P.	Ecklund	Gunther	Marquart	Olson	Theis
Applebaum	Erickson	Howe	Miller	Quam	Torkelson
Backer	Fabian	Johnson, B.	Murphy, M.	Sandstede	Urdahl
Baker	Fischer	Knoblach	Nelson	Schomacker	Wagenius
Bernardy	Green	Kunesh-Podein	Newberger	Schultz	
Considine	Grossell	Layman	Nornes	Sundin	
Davids	Gruenhagen	Mahoney	O'Driscoll	Swedzinski	

The bill was repassed, as amended by the Senate, and its title agreed to.

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 218.

CAL R. LUDEMAN, Secretary of the Senate

## FIRST READING OF SENATE BILLS

S. F. No. 218, A bill for an act relating to transportation; prohibiting road authorities from establishing certain requirements and permits that govern mowing.

The bill was read for the first time.

Swedzinski moved that S. F. No. 218 and H. F. No. 124, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

## CALENDAR FOR THE DAY

H. F. No. 444, A bill for an act relating to securities; modifying the MNvest registration exemption; amending Minnesota Statutes 2016, section 80A.461.

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 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Albright	Davids	Hansen	Liebling	Nornes	Schultz
Allen	Davnie	Hausman	Lien	O'Driscoll	Scott
Anderson, P.	Dean, M.	Heintzeman	Lillie	Olson	Slocum
Anderson, S.	Dehn, R.	Hertaus	Loeffler	Omar	Smith
Anselmo	Drazkowski	Hilstrom	Lohmer	O'Neill	Sundin
Applebaum	Ecklund	Hornstein	Loon	Pelowski	Swedzinski
Backer	Erickson	Hortman	Loonan	Peppin	Theis
Bahr, C.	Fabian	Howe	Lucero	Petersburg	Thissen
Baker	Fenton	Jessup	Lueck	Peterson	Torkelson
Barr, R.	Fischer	Johnson, B.	Mahoney	Pierson	Uglen
Becker-Finn	Flanagan	Johnson, C.	Marquart	Pinto	Urdahl
Bennett	Franke	Johnson, S.	Masin	Poppe	Vogel
Bernardy	Franson	Jurgens	Maye Quade	Poston	Wagenius
Bliss	Freiberg	Kiel	McDonald	Pryor	Ward
Bly	Garofalo	Knoblach	Miller	Pugh	West
Carlson, A.	Green	Koegel	Moran	Quam	Whelan
Carlson, L.	Grossell	Koznick	Murphy, E.	Rarick	Youakim
Christensen	Gruenhagen	Kresha	Murphy, M.	Rosenthal	Zerwas
Clark	Gunther	Kunesh-Podein	Nash	Runbeck	Spk. Daudt
Considine	Haley	Layman	Nelson	Sandstede	
Cornish	Halverson	Lee	Neu	Sauke	
Daniels	Hamilton	Lesch	Newberger	Schomacker	

The bill was passed and its title agreed to.

H. F. No. 212, A bill for an act relating to insurance producers; regulating payment of commissions by issuers of individual health plans; amending Minnesota Statutes 2016, sections 60K.31, by adding a subdivision; 60K.48, subdivision 4.

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 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Albright	Bernardy	Dean, M.	Garofalo	Hilstrom	Koznick
Allen	Bliss	Dehn, R.	Green	Hornstein	Kresha
Anderson, P.	Bly	Drazkowski	Grossell	Hortman	Kunesh-Podein
Anderson, S.	Carlson, A.	Ecklund	Gruenhagen	Howe	Layman
Anselmo	Carlson, L.	Erickson	Gunther	Jessup	Lee
Applebaum	Christensen	Fabian	Haley	Johnson, B.	Lesch
Backer	Clark	Fenton	Halverson	Johnson, C.	Liebling
Bahr, C.	Considine	Fischer	Hamilton	Johnson, S.	Lien
Baker	Cornish	Flanagan	Hansen	Jurgens	Lillie
Barr, R.	Daniels	Franke	Hausman	Kiel	Loeffler
Becker-Finn	Davids	Franson	Heintzeman	Knoblach	Lohmer
Bennett	Davnie	Freiberg	Hertaus	Koegel	Loon

Loonan	Murphy, E.	O'Neill	Pugh	Slocum	Wagenius
Lucero	Murphy, M.	Pelowski	Quam	Smith	Ward
Lueck	Nash	Peppin	Rarick	Sundin	West
Mahoney	Nelson	Petersburg	Rosenthal	Swedzinski	Whelan
Marquart	Neu	Peterson	Runbeck	Theis	Youakim
Masin	Newberger	Pierson	Sandstede	Thissen	Zerwas
Maye Quade	Nornes	Pinto	Sauke	Torkelson	Spk. Daudt
McDonald	O'Driscoll	Poppe	Schomacker	Uglen	
Miller	Olson	Poston	Schultz	Urdahl	
Moran	Omar	Pryor	Scott	Vogel	

The bill was passed and its title agreed to.

H. F. No. 330 was reported to the House.

Nash moved to amend H. F. No. 330, the first engrossment, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2016, section 462.355, subdivision 4, is amended to read:

Subd. 4. **Interim ordinance.** (a) If a municipality is conducting studies or has authorized a study to be conducted or has held or has scheduled a hearing for the purpose of considering adoption or amendment of a comprehensive plan or official controls as defined in section 462.352, subdivision 15, or if new territory for which plans or controls have not been adopted is annexed to a municipality, the governing body of the municipality may adopt an interim ordinance applicable to all or part of its jurisdiction for the purpose of protecting the planning process and the health, safety and welfare of its citizens. The interim ordinance may regulate, restrict, or prohibit any use, development, or subdivision within the jurisdiction or a portion thereof for a period not to exceed one year from the date it is effective.

(b) If a proposed interim ordinance purports to regulate, restrict, or prohibit activities relating to livestock production, a public hearing must be held following a ten-day notice given by publication in a newspaper of general circulation in the municipality before the interim ordinance takes effect.

(c)(1) A statutory or home rule charter city may adopt an interim ordinance that regulates, restricts, or prohibits a housing proposal only if the ordinance is approved by at least two-thirds of city council members present.

(2) Before adopting the interim ordinance, the city council must hold a public hearing after providing written notice to any person who has submitted written information to the city regarding a housing proposal that is potentially affected by the proposed interim ordinance. The written notice must be provided at least three business days before the public hearing. Notice also must be posted on the city's official Web site, if the city has an official Web site.

(3) The date of the public hearing shall be the earlier of the next regularly scheduled city council meeting after the notice period or within 10 days of the notice.

(4) The activities proposed to be restricted by the proposed interim ordinance may not be undertaken before the public hearing.

(5) For the purposes of this paragraph, "housing proposal" means a written request for city approval of a project intended primarily to provide residential dwellings, either single family or multi-family, and involves the subdivision or development of land or the demolition, construction, reconstruction, alteration, repair, or occupancy of residential dwellings.

~~(e)~~ (d) The period of an interim ordinance applicable to an area that is affected by a city's master plan for a municipal airport may be extended for such additional periods as the municipality may deem appropriate, not exceeding a total additional period of 18 months. In all other cases, no interim ordinance may halt, delay, or impede a subdivision that has been given preliminary approval, nor may any interim ordinance extend the time deadline for agency action set forth in section 15.99 with respect to any application filed prior to the effective date of the interim ordinance. The governing body of the municipality may extend the interim ordinance after a public hearing and written findings have been adopted based upon one or more of the conditions in clause (1), (2), or (3). The public hearing must be held at least 15 days but not more than 30 days before the expiration of the interim ordinance, and notice of the hearing must be published at least ten days before the hearing. The interim ordinance may be extended for the following conditions and durations, but, except as provided in clause (3), an interim ordinance may not be extended more than an additional 18 months:

(1) up to an additional 120 days following the receipt of the final approval or review by a federal, state, or metropolitan agency when the approval is required by law and the review or approval has not been completed and received by the municipality at least 30 days before the expiration of the interim ordinance;

(2) up to an additional 120 days following the completion of any other process required by a state statute, federal law, or court order, when the process is not completed at least 30 days before the expiration of the interim ordinance; or

(3) up to an additional one year if the municipality has not adopted a comprehensive plan under this section at the time the interim ordinance is enacted.

**EFFECTIVE DATE.** This section is effective for interim ordinances proposed on or after August 1, 2017.

Delete the title and insert:

"A bill for an act relating to local government; requiring at least a two-thirds vote of a quorum to impose an interim ordinance relating to housing; requiring a public hearing after ten-day notice before imposing an interim ordinance relating to housing; amending Minnesota Statutes 2016, section 462.355, subdivision 4."

Bly moved to amend the Nash amendment to H. F. No. 330, the first engrossment, as follows:

Page 1, delete lines 17 to 20 and insert "(c)(1) Before adopting an interim ordinance that regulates, restricts, or prohibits a housing proposal, the city council must hold a public hearing"

Renumber the clauses in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Bly amendment to the Nash amendment and the roll was called. There were 53 yeas and 77 nays as follows:

Those who voted in the affirmative were:

Allen	Davnie	Hornstein	Lillie	Nelson	Sauke
Applebaum	Dehn, R.	Hortman	Loeffler	Olson	Schultz
Becker-Finn	Ecklund	Johnson, C.	Mahoney	Omar	Slocum
Bernardy	Fischer	Johnson, S.	Mariani	Pelowski	Sundin
Bly	Flanagan	Koegel	Masin	Pinto	Thissen
Carlson, A.	Freiberg	Kunesh-Podein	Maye Quade	Poppe	Wagenius
Carlson, L.	Halverson	Lee	Moran	Pryor	Ward
Clark	Hansen	Liebling	Murphy, E.	Rosenthal	Youakim
Considine	Hausman	Lien	Murphy, M.	Sandstede	

Those who voted in the negative were:

Albright	Davids	Haley	Layman	Nornes	Scott
Anderson, P.	Dean, M.	Hamilton	Lesch	O'Driscoll	Smith
Anderson, S.	Drazkowski	Heintzeman	Lohmer	O'Neill	Swedzinski
Anselmo	Erickson	Hertaus	Loon	Peppin	Theis
Backer	Fabian	Hilstrom	Loonan	Petersburg	Torkelson
Bahr, C.	Fenton	Howe	Lucero	Peterson	Uglen
Baker	Franke	Jessup	Lueck	Pierson	Urdahl
Barr, R.	Franson	Johnson, B.	Marquart	Poston	Vogel
Bennett	Garofalo	Jurgens	McDonald	Pugh	West
Bliss	Green	Kiel	Miller	Quam	Whelan
Christensen	Grossell	Knoblach	Nash	Rarick	Zerwas
Cornish	Gruenhagen	Koznick	Neu	Runbeck	Spk. Daudt
Daniels	Gunther	Kresha	Newberger	Schomacker	

The motion did not prevail and the amendment to the amendment was not adopted.

The question recurred on the Nash amendment to H. F. No. 330, the first engrossment. The motion prevailed and the amendment was adopted.

H. F. No. 330, A bill for an act relating to local government; requiring at least a two-thirds vote of a quorum to impose an interim ordinance relating to housing; requiring a public hearing after ten-day notice before imposing an interim ordinance relating to housing; amending Minnesota Statutes 2016, section 462.355, subdivision 4.

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 87 yeas and 44 nays as follows:

Those who voted in the affirmative were:

Albright	Backer	Bennett	Cornish	Dettmer	Fabian
Anderson, P.	Bahr, C.	Bliss	Daniels	Drazkowski	Fenton
Anderson, S.	Baker	Carlson, A.	Davids	Ecklund	Flanagan
Anselmo	Barr, R.	Christensen	Dean, M.	Erickson	Franke

Franson	Jessup	Loonan	Newberger	Pugh	Uglen
Garofalo	Johnson, B.	Lucero	Nornes	Quam	Urdahl
Green	Jurgens	Lueck	O'Driscoll	Rarick	Vogel
Grossell	Kiel	Marquart	O'Neill	Runbeck	West
Gruenhagen	Knoblauch	Maye Quade	Peppin	Sauke	Whelan
Gunther	Koznick	McDonald	Petersburg	Schomacker	Youakim
Halverson	Kresha	Miller	Peterson	Scott	Zerwas
Hamilton	Layman	Murphy, M.	Pierson	Smith	Spk. Daudt
Heintzeman	Lesch	Nash	Poppe	Swedzinski	
Hertaus	Lohmer	Nelson	Poston	Theis	
Howe	Loon	Neu	Pryor	Torkelson	

Those who voted in the negative were:

Allen	Davnie	Hornstein	Lien	Olson	Sundin
Applebaum	Dehn, R.	Hortman	Lillie	Omar	Thissen
Becker-Finn	Fischer	Johnson, C.	Loeffler	Pelowski	Wagenius
Bernardy	Freiberg	Johnson, S.	Mahoney	Pinto	Ward
Bly	Haley	Koegel	Mariani	Rosenthal	
Carlson, L.	Hansen	Kunesh-Podein	Masin	Sandstede	
Clark	Hausman	Lee	Moran	Schultz	
Considine	Hilstrom	Liebling	Murphy, E.	Slocum	

The bill was passed, as amended, and its title agreed to.

Peppin moved that the House recess subject to the call of the Chair.

A roll call was requested and properly seconded.

The question was taken on the Peppin motion and the roll was called. There were 76 yeas and 55 nays as follows:

Those who voted in the affirmative were:

Albright	Davids	Gruenhagen	Kresha	O'Driscoll	Smith
Anderson, P.	Dean, M.	Gunther	Layman	O'Neill	Swedzinski
Anderson, S.	Dettmer	Haley	Lohmer	Peppin	Theis
Anselmo	Drazkowski	Hamilton	Loon	Petersburg	Torkelson
Backer	Erickson	Heintzeman	Loonan	Peterson	Uglen
Bahr, C.	Fabian	Hertaus	Lucero	Pierson	Urdahl
Baker	Fenton	Howe	Lueck	Poston	Vogel
Barr, R.	Franke	Jessup	McDonald	Pugh	West
Bennett	Franson	Johnson, B.	Miller	Quam	Whelan
Bliss	Freiberg	Jurgens	Nash	Rarick	Zerwas
Christensen	Garofalo	Kiel	Neu	Runbeck	Spk. Daudt
Cornish	Green	Knoblauch	Newberger	Schomacker	
Daniels	Grossell	Koznick	Nornes	Scott	

Those who voted in the negative were:

Allen	Bernardy	Carlson, L.	Davnie	Fischer	Hansen
Applebaum	Bly	Clark	Dehn, R.	Flanagan	Hausman
Becker-Finn	Carlson, A.	Considine	Ecklund	Halverson	Hilstrom

Hornstein	Lesch	Marquart	Olson	Sandstede	Ward
Hortman	Liebling	Masin	Omar	Sauke	Youakim
Johnson, C.	Lien	Maye Quade	Pelowski	Schultz	
Johnson, S.	Lillie	Moran	Pinto	Slocum	
Koegel	Loeffler	Murphy, E.	Poppe	Sundin	
Kunesh-Podein	Mahoney	Murphy, M.	Pryor	Thissen	
Lee	Mariani	Nelson	Rosenthal	Wagenius	

The motion prevailed.

### RECESS

### RECONVENED

The House reconvened and was called to order by Speaker pro tempore Albright.

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

Dehn, R., was excused between the hours of 6:30 p.m. and 7:35 p.m.

### CALENDAR FOR THE DAY, Continued

H. F. No. 600 was reported to the House.

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

Speaker pro tempore Albright called Swedzinski to the Chair.

Pursuant to rule 1.50, Garofalo moved that the House be allowed to continue in session after 12:00 midnight. The motion prevailed.

The Speaker resumed the Chair.

H. F. No. 600, A bill for an act relating to employment; providing uniformity for employment mandates on private employers; proposing coding for new law in Minnesota Statutes, chapter 181.

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 76 yeas and 53 nays as follows:

Those who voted in the affirmative were:

Albright	Davids	Gunther	Layman	Pelowski	Smith
Anderson, P.	Dean, M.	Haley	Lohmer	Peppin	Swedzinski
Anderson, S.	Dettmer	Hamilton	Loon	Petersburg	Theis
Anselmo	Drazkowski	Heintzeman	Loonan	Peterson	Torkelson
Backer	Erickson	Hertaus	Lucero	Pierson	Uglen
Bahr, C.	Fabian	Howe	Lueck	Poppe	Urdahl
Baker	Fenton	Jessup	McDonald	Poston	Vogel
Barr, R.	Franke	Johnson, B.	Nash	Pugh	West
Bennett	Franson	Jurgens	Neu	Quam	Whelan
Bliss	Garofalo	Kiel	Newberger	Rarick	Zerwas
Christensen	Green	Knoblach	Nornes	Runbeck	Spk. Daudt
Cornish	Grossell	Koznick	O'Driscoll	Schomacker	
Daniels	Gruenhagen	Kresha	O'Neill	Scott	

Those who voted in the negative were:

Allen	Davnie	Hornstein	Lien	Murphy, E.	Sauke
Applebaum	Dehn, R.	Hortman	Lillie	Murphy, M.	Schultz
Becker-Finn	Ecklund	Johnson, C.	Loeffler	Nelson	Slocum
Bernardy	Fischer	Johnson, S.	Mahoney	Olson	Sundin
Bly	Freiberg	Koegel	Mariani	Omar	Thissen
Carlson, A.	Halverson	Kunesh-Podein	Marquart	Pinto	Wagenius
Carlson, L.	Hansen	Lee	Masin	Pryor	Ward
Clark	Hausman	Lesch	Maye Quade	Rosenthal	Youakim
Considine	Hilstrom	Liebling	Moran	Sandstede	

The bill was passed and its title agreed to.

#### REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Peppin from the Committee on Rules and Legislative Administration, pursuant to rules 1.21 and 3.33, designated the following bill to be placed on the Calendar for the Day for Monday, March 6, 2017 and established a prefiling requirement for amendments offered to the following bill:

H. F. No. 778.

#### ANNOUNCEMENT BY THE SPEAKER PURSUANT TO RULE 1.15(c)

A message from the Senate has been received requesting concurrence by the House to amendments adopted by the Senate to the following House File:

H. F. No. 434.

**MOTIONS AND RESOLUTIONS**

Davids moved that the name of Applebaum be added as an author on H. F. No. 19. The motion prevailed.

McDonald moved that the name of Applebaum be added as an author on H. F. No. 85. The motion prevailed.

Zerwas moved that the names of Johnson, S.; Hornstein and Lillie be added as authors on H. F. No. 225. The motion prevailed.

Dettmer moved that the name of Grossell be added as an author on H. F. No. 226. The motion prevailed.

Kiel moved that the name of Pugh be added as an author on H. F. No. 262. The motion prevailed.

Nash moved that the name of Dettmer be added as an author on H. F. No. 330. The motion prevailed.

Applebaum moved that the name of Davids be added as an author on H. F. No. 365. The motion prevailed.

Wills moved that the name of Baker be added as an author on H. F. No. 494. The motion prevailed.

Rarick moved that the name of Bennett be added as an author on H. F. No. 631. The motion prevailed.

Peterson moved that the name of Zerwas be added as an author on H. F. No. 661. The motion prevailed.

Hamilton moved that the name of Daniels be added as an author on H. F. No. 747. The motion prevailed.

Dettmer moved that the names of Dehn, R., and Nash be added as authors on H. F. No. 755. The motion prevailed.

Torkelson moved that the name of Petersburg be added as an author on H. F. No. 765. The motion prevailed.

Loon moved that the names of Jurgens and Bennett be added as authors on H. F. No. 831. The motion prevailed.

Mariani moved that the names of Jurgens and Bennett be added as authors on H. F. No. 843. The motion prevailed.

Metsa moved that the name of Ward be added as an author on H. F. No. 869. The motion prevailed.

Backer moved that the name of Slocum be added as an author on H. F. No. 871. The motion prevailed.

Kiel moved that the names of Gunther, Cornish and Zerwas be added as authors on H. F. No. 876. The motion prevailed.

Davids moved that the name of Slocum be added as an author on H. F. No. 893. The motion prevailed.

Hilstrom moved that the name of Slocum be added as an author on H. F. No. 897. The motion prevailed.

Hamilton moved that the name of Maye Quade be added as an author on H. F. No. 898. The motion prevailed.

Koznick moved that the name of Davids be added as an author on H. F. No. 901. The motion prevailed.



Peterson moved that the name of Maye Quade be added as an author on H. F. No. 919. The motion prevailed.

Moran moved that the name of Bly be added as an author on H. F. No. 932. The motion prevailed.

Backer moved that the name of Slocum be added as an author on H. F. No. 960. The motion prevailed.

Layman moved that the name of Lueck be added as an author on H. F. No. 976. The motion prevailed.

Metsa moved that the name of Slocum be added as an author on H. F. No. 1013. The motion prevailed.

Layman moved that the name of Lueck be added as an author on H. F. No. 1019. The motion prevailed.

Backer moved that the name of Marquart be added as an author on H. F. No. 1053. The motion prevailed.

Anderson, S., moved that the name of Dettmer be added as an author on H. F. No. 1086. The motion prevailed.

Bernardy moved that the name of Bly be added as an author on H. F. No. 1157. The motion prevailed.

Hamilton moved that the name of Bly be added as an author on H. F. No. 1176. The motion prevailed.

Hornstein moved that the name of Peterson be added as an author on H. F. No. 1181. The motion prevailed.

Peterson moved that the name of Rosenthal be added as an author on H. F. No. 1182. The motion prevailed.

Liebling moved that the name of Bly be added as an author on H. F. No. 1187. The motion prevailed.

Albright moved that the name of Masin be added as an author on H. F. No. 1206. The motion prevailed.

Davids moved that the name of Dettmer be added as an author on H. F. No. 1234. The motion prevailed.

Petersburg moved that the name of Bernardy be added as an author on H. F. No. 1241. The motion prevailed.

Loonan moved that the names of Lucero and Carlson, A., be added as authors on H. F. No. 1251. The motion prevailed.

O'Neill moved that the name of Becker-Finn be added as an author on H. F. No. 1252. The motion prevailed.

Heintzeman moved that the name of Lueck be added as an author on H. F. No. 1258. The motion prevailed.

Heintzeman moved that the name of Lueck be added as an author on H. F. No. 1265. The motion prevailed.

Ecklund moved that the name of Sundin be added as an author on H. F. No. 1307. The motion prevailed.

Applebaum moved that the name of Davids be added as an author on H. F. No. 1321. The motion prevailed.

Pierson moved that the name of Poston be added as an author on H. F. No. 1340. The motion prevailed.

McDonald moved that the name of Poston be added as an author on H. F. No. 1360. The motion prevailed.

Layman moved that the name of Lueck be added as an author on H. F. No. 1372. The motion prevailed.

McDonald moved that the name of Jurgens be added as an author on H. F. No. 1381. The motion prevailed.

Mahoney moved that the names of Olson and Baker be added as authors on H. F. No. 1391. The motion prevailed.

Kresha moved that the name of Thissen be added as an author on H. F. No. 1392. The motion prevailed.

Nornes moved that the names of Slocum and Hamilton be added as authors on H. F. No. 1409. The motion prevailed.

Baker moved that the name of Lueck be added as an author on H. F. No. 1410. The motion prevailed.

Drazkowski moved that the name of Bennett be added as an author on H. F. No. 1421. The motion prevailed.

Lee moved that the name of Ward be added as an author on H. F. No. 1426. The motion prevailed.

Urdahl moved that the name of Hausman be added as an author on H. F. No. 1463. The motion prevailed.

Baker moved that the name of Slocum be added as an author on H. F. No. 1470. The motion prevailed.

Grossell moved that the name of Knoblach be added as an author on H. F. No. 1481. The motion prevailed.

Pryor moved that the name of Bly be added as an author on H. F. No. 1500. The motion prevailed.

Youakim moved that the name of Bly be added as an author on H. F. No. 1501. The motion prevailed.

Fischer moved that the name of Masin be added as an author on H. F. No. 1509. The motion prevailed.

Cornish moved that the name of Johnson, C., be added as an author on H. F. No. 1513. The motion prevailed.

Fabian moved that the names of Sauke and Johnson, C., be added as authors on H. F. No. 1535. The motion prevailed.

Smith moved that the name of Pugh be added as an author on H. F. No. 1538. The motion prevailed.

Franson moved that the name of Pinto be added as an author on H. F. No. 1564. The motion prevailed.

Urdahl moved that the name of Slocum be added as an author on H. F. No. 1602. The motion prevailed.

Pierson moved that the name of Dettmer be added as an author on H. F. No. 1603. The motion prevailed.

Haley moved that the name of Theis be added as an author on H. F. No. 1607. The motion prevailed.

Hoppe moved that the name of Bliss be added as an author on H. F. No. 1612. The motion prevailed.

Schomacker moved that the name of Flanagan be added as an author on H. F. No. 1619. The motion prevailed.

Baker moved that the name of Slocum be added as an author on H. F. No. 1634. The motion prevailed.

Becker-Finn moved that the name of Slocum be added as an author on H. F. No. 1642. The motion prevailed.

Layman moved that the names of Ecklund and Lueck be added as authors on H. F. No. 1643. The motion prevailed.

Moran moved that the name of Slocum be added as an author on H. F. No. 1646. The motion prevailed.

O'Neill moved that the name of Slocum be added as an author on H. F. No. 1654. The motion prevailed.

Pinto moved that the name of Murphy, E., be added as an author on H. F. No. 1669. The motion prevailed.

Lee moved that the name of Murphy, E., be added as an author on H. F. No. 1678. The motion prevailed.

Sandstede moved that the name of Slocum be added as an author on H. F. No. 1684. The motion prevailed.

Zerwas moved that the names of Lohmer and Lesch be added as authors on H. F. No. 1688. The motion prevailed.

Ecklund moved that the name of Slocum be added as an author on H. F. No. 1689. The motion prevailed.

O'Driscoll moved that the name of Masin be added as an author on H. F. No. 1696. The motion prevailed.

O'Driscoll moved that the name of Masin be added as an author on H. F. No. 1697. The motion prevailed.

Fenton moved that the name of Slocum be added as an author on H. F. No. 1698. The motion prevailed.

Moran moved that the name of Slocum be added as an author on H. F. No. 1700. The motion prevailed.

Pinto moved that the name of Bly be added as an author on H. F. No. 1723. The motion prevailed.

Hamilton moved that the name of Slocum be added as an author on H. F. No. 1749. The motion prevailed.

Kunesh-Podein moved that the names of Bly and Slocum be added as authors on H. F. No. 1759. The motion prevailed.

Wagenius moved that the name of Slocum be added as an author on H. F. No. 1762. The motion prevailed.

Heintzeman moved that the name of Lueck be added as an author on H. F. No. 1767. The motion prevailed.

Fenton moved that the name of Jurgens be added as an author on H. F. No. 1768. The motion prevailed.

Considine moved that the name of Bly be added as an author on H. F. No. 1776. The motion prevailed.

Hertaus moved that the name of Lesch be added as an author on H. F. No. 1779. The motion prevailed.

Johnson, C., moved that the name of Bly be added as an author on H. F. No. 1796. The motion prevailed.

Loon moved that the name of Bahr, C., be added as an author on H. F. No. 1825. The motion prevailed.

Erickson moved that the name of Bahr, C., be added as an author on H. F. No. 1826. The motion prevailed.

Albright moved that the name of Bly be added as an author on H. F. No. 1836. The motion prevailed.

Knoblach moved that the name of Uglem be added as an author on H. F. No. 1843. The motion prevailed.

Thissen moved that the name of Bly be added as an author on H. F. No. 1846. The motion prevailed.

Hansen moved that the name of Mahoney be added as an author on H. F. No. 1857. The motion prevailed.

Dean, M., moved that the name of Thissen be added as an author on H. F. No. 1870. The motion prevailed.

O'Neill moved that the names of Becker-Finn, Mahoney and Slocum be added as authors on H. F. No. 1877. The motion prevailed.

Nash moved that the name of Thissen be added as an author on H. F. No. 1896. The motion prevailed.

Moran moved that the name of Bly be added as an author on H. F. No. 1898. The motion prevailed.

Johnson, C., moved that the name of Bly be added as an author on H. F. No. 1899. The motion prevailed.

Heintzeman moved that the name of Lueck be added as an author on H. F. No. 1900. The motion prevailed.

Bly moved that the name of Slocum be added as an author on H. F. No. 1901. The motion prevailed.

Urdahl moved that the names of Hamilton and Slocum be added as authors on H. F. No. 1903. The motion prevailed.

Schultz moved that the name of Bly be added as an author on H. F. No. 1917. The motion prevailed.

Schultz moved that the name of Bly be added as an author on H. F. No. 1918. The motion prevailed.

Kresha moved that the name of Bly be added as an author on H. F. No. 1920. The motion prevailed.

Anselmo moved that the name of Bly be added as an author on H. F. No. 1941. The motion prevailed.

Drazkowski moved that H. F. No. 957 be recalled from the Committee on Government Operations and Elections Policy and be re-referred to the Committee on Taxes. The motion prevailed.

Haley moved that H. F. No. 1060 be recalled from the Committee on Education Innovation Policy and be re-referred to the Committee on Education Finance. The motion prevailed.

Lucero moved that H. F. No. 1507 be recalled from the Committee on Education Innovation Policy and be re-referred to the Committee on Civil Law and Data Practices Policy. The motion prevailed.

Hansen moved that H. F. No. 1621 be recalled from the Committee on Environment and Natural Resources Policy and Finance and be re-referred to the Committee on Agriculture Finance. The motion prevailed.

Anderson, S., moved that H. F. No. 1773 be recalled from the Committee on Government Operations and Elections Policy and be re-referred to the Committee on Civil Law and Data Practices Policy. The motion prevailed.

## ADJOURNMENT

Peppin moved that when the House adjourns today it adjourn until 3:30 p.m., Monday, March 6, 2017. The motion prevailed.

Peppin moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 3:30 p.m., Monday, March 6, 2017.

PATRICK D. MURPHY, Chief Clerk, House of Representatives

