

STATE OF MINNESOTA

NINETIETH SESSION — 2017

 TWENTY-EIGHTH DAY

SAINT PAUL, MINNESOTA, MONDAY, MARCH 13, 2017

The House of Representatives convened at 3:30 p.m. and was called to order by Pat Garofalo, Speaker pro tempore.

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

A quorum was present.

Daniels, Schultz and Ward were excused.

Pugh was excused until 3:55 p.m. O'Driscoll was excused until 4:30 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

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 33, A bill for an act relating to sentencing; requiring legislative approval for sentencing guidelines modifications; amending Minnesota Statutes 2016, section 244.09, subdivision 11.

Reported the same back with the recommendation that 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. 68, A bill for an act relating to liquor; creating labeling requirements for 3.2 percent malt liquor; amending Minnesota Statutes 2016, section 340A.301, 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 340A.22, subdivision 1, is amended to read:

Subdivision 1. **Activities.** (a) A microdistillery licensed under this chapter may provide on its premises samples of distilled spirits ~~manufactured~~ distilled on its premises, in an amount not to exceed 15 milliliters per variety per person. No more than 45 milliliters may be sampled under this paragraph by any person on any day. For purposes of this section, "distilled on its premises" means that at least 80 percent of any product sold by a microdistillery must be first distilled on its premises. If a product is first distilled off-premises, and subsequently rectified, bottled, or redistilled on-premises, it does not qualify as Minnesota distilled. Products meeting this standard shall be labeled "distilled on premises."

(b) A microdistillery can sell cocktails to the public, pursuant to subdivision 2.

(c) A microdistillery may not sell products that do not qualify as distilled on premises. This paragraph does not apply to any microdistillery licensed prior to July 1, 2017, provided that any microdistilleries that do not distill on premises must disclose this on their label.

EFFECTIVE DATE. This section is effective on July 1, 2017.

Sec. 2. Minnesota Statutes 2016, section 340A.22, subdivision 2, is amended to read:

Subd. 2. **Cocktail room license.** (a) A municipality, including a city with a municipal liquor store, may issue the holder of a microdistillery license under this chapter a microdistillery cocktail room license. A microdistillery cocktail room license authorizes on-sale of distilled liquor produced by the distiller for consumption on the premises of or adjacent to one distillery location owned by the distiller. Notwithstanding section 340A.504, subdivision 3, a cocktail room may be open and may conduct on-sale business on Sundays if authorized by the municipality. Nothing in this subdivision precludes the holder of a microdistillery cocktail room license from also holding a license to operate a restaurant at the distillery. Section 340A.409 shall apply to a license issued under this subdivision. All provisions of this chapter that apply to a retail liquor license shall apply to a license issued under this subdivision unless the provision is explicitly inconsistent with this subdivision.

(b) A distiller may only have one cocktail room license under this subdivision, and may not have an ownership interest in a distillery licensed under section 340A.301, subdivision 6, clause (a).

(c) The municipality shall impose a licensing fee on a distiller holding a microdistillery cocktail room license under this subdivision, subject to limitations applicable to license fees under section 340A.408, subdivision 2, paragraph (a).

(d) A municipality shall, within ten days of the issuance of a license under this subdivision, inform the commissioner of the licensee's name and address and trade name, and the effective date and expiration date of the license. The municipality shall also inform the commissioner of a license transfer, cancellation, suspension, or revocation during the license period.

(e) No single entity may hold both a cocktail room and taproom license, and a cocktail room and taproom may not be colocated.

EFFECTIVE DATE. This section is effective on July 1, 2017.

Sec. 3. Minnesota Statutes 2016, section 340A.22, subdivision 4, is amended to read:

Subd. 4. **Off-sale license.** A microdistillery may be issued a license by the local licensing authority, with the approval of the commissioner, for off-sale of distilled spirits. The license may allow the sale ~~of one 375 milliliter bottle per customer per day~~ of product manufactured on site, subject to the following requirements:

(1) off-sale hours of sale must conform to hours of sale for retail off-sale licensees in the licensing municipality; ~~and~~

(2) no brand may be sold at the microdistillery unless it is also available for distribution by wholesalers; and

(3) no more than 8,000 proof gallons of the 40,000 proof gallons produced by a distiller can be sold at off-sale on premises.

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

Sec. 4. Minnesota Statutes 2016, section 340A.24, subdivision 3, is amended to read:

Subd. 3. **Total retail sales.** A brew pub's total retail sales at on- or off-sale under this section may not exceed 3,500 barrels per year, provided that off-sales may not total more than ~~500~~ 750 barrels.

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

Sec. 5. Minnesota Statutes 2016, section 340A.28, is amended to read:

340A.28 SMALL BREWER OFF-SALE.

Subdivision 1. **License; limitations.** A brewer licensed under section 340A.301, subdivision 6, clause (c), (i), or (j), may be issued a license by a municipality for off-sale of malt liquor at its licensed premises that has been produced and packaged by the brewer. The license must be approved by the commissioner. A brewer may only have one license under this subdivision. The amount of malt liquor sold at off-sale may not exceed ~~500~~ 750 barrels annually. Off-sale of malt liquor shall be limited to the legal hours for off-sale at exclusive liquor stores in the jurisdiction in which the brewer is located, and the malt liquor sold off-sale must be removed from the premises before the applicable off-sale closing time at exclusive liquor stores, except that malt liquor in growlers only may be sold at off-sale on Sundays. Sunday sales must be approved by the licensing jurisdiction and hours may be established by those jurisdictions. Packaging of malt liquor for off-sale under this subdivision must comply with section 340A.285.

Subd. 2. **Prohibition.** A municipality may not issue a license under this section to a brewer if the brewer seeking the license, or any person having an economic interest in the brewer seeking the license or exercising control over the brewer seeking the license, is a brewer that brews more than ~~20,000~~ 40,000 barrels of its own brands of malt liquor annually or a winery that produces more than 250,000 gallons of wine annually.

Subd. 3. **Fee.** The municipality shall impose a licensing fee on a brewer holding a license under this subdivision, subject to limitations applicable to license fees under section 340A.408, subdivision 3, paragraph (a).

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

Sec. 6. Minnesota Statutes 2016, section 340A.285, is amended to read:

340A.285 GROWLERS.

(a) Malt liquor authorized for off-sale pursuant to section 340A.24 or 340A.28 shall be packaged in ~~64-ounce containers commonly known as "growlers" or in 750 milliliter bottles.~~ The containers or bottles shall bear a twist-type closure, cork, stopper, or plug any vessel containing between 650 milliliters and two liters. At the time of sale, a paper or plastic adhesive band, strip, or sleeve shall be applied to the container or ~~bottle vessel~~ and extended over the top of the twist-type closure, cork, stopper, or plug forming a seal that must be broken upon opening the container or ~~bottle vessel~~. The adhesive band, strip, or sleeve shall bear the name and address of the brewer. The containers or ~~bottles vessels~~ shall be identified as malt liquor, contain the name of the malt liquor, bear the name and address of the brew pub or brewer selling the malt liquor, and shall be considered intoxicating liquor unless the alcoholic content is labeled as otherwise in accordance with the provisions of Minnesota Rules, part 7515.1100.

(b) A brew pub or brewer may, but is not required to, refill any container or ~~bottle vessel~~ with malt liquor for off-sale at the request of the customer. A brew pub or brewer refilling a container or ~~bottle vessel~~ must do so at its licensed premises and the container or ~~bottle vessel~~ must be filled at the tap at the time of sale. A container or ~~bottle vessel~~ refilled under this paragraph must be sealed and labeled in the manner described in paragraph (a).

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

Sec. 7. Minnesota Statutes 2016, section 340A.301, is amended by adding a subdivision to read:

Subd. 12. **3.2 percent malt liquor; label.** 3.2 percent malt liquor, as defined under section 340A.101, subdivision 19, may be sold with a label that states "MAX 3.2% ALC/WT" or equivalent, on the side of the can or bottle, and does not require a similar disclosure on the can top or bottom. The commissioner shall establish standards to implement this requirement.

EFFECTIVE DATE. This section is effective on July 1, 2017, and applies to all cans or bottles sold after that date.

Sec. 8. Minnesota Statutes 2016, section 340A.315, subdivision 7, is amended to read:

Subd. 7. **Distilled spirits permitted.** Farm wineries licensed under this section are permitted to ~~manufacture~~ distill spirits as defined under section 340A.101, subdivision 9, which may exceed 25 percent alcohol by volume, made from Minnesota-produced or Minnesota-grown grapes, grape juice, other fruit bases, or honey. The following conditions pertain:

(1) no farm winery or firm owning multiple farm wineries may ~~manufacture~~ distill more than 5,000 gallons of distilled spirits in a given year, and this 5,000 gallon limit is part of the 50,000 gallon limit found in subdivision 2;

(2) for purposes of this subdivision, "distill" means that at least 80 percent of any product sold by a farm distillery must be first distilled on its premises. If a product is first distilled off-premises, and subsequently rectified, bottled, or redistilled on-premises, it does not qualify as distilled on premises and may not be sold by a farm distillery. This clause does not apply to any farm wineries with farm distilleries licensed prior to July 1, 2017, provided that any farm wineries with farm distilleries that do not distill on premises must disclose this on their label;

(3) farm wineries must pay an additional annual fee of \$50 to the commissioner before beginning production of distilled spirits; and

~~(3)~~ (4) farm wineries may not sell or produce distilled spirits for direct sale to manufacturers licensed under section 340A.301, subdivision 6, paragraph (a).

EFFECTIVE DATE. This section is effective on July 1, 2017.

Sec. 9. Minnesota Statutes 2016, section 340A.404, subdivision 2, is amended to read:

Subd. 2. **Special provision; city of Minneapolis.** (a) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Guthrie Theater, the Cricket Theatre, the Orpheum Theatre, the State Theatre, and the Historic Pantages Theatre, notwithstanding the limitations of law, or local ordinance, or charter provision relating to zoning or school or church distances. The licenses authorize sales on all days of the week to holders of tickets for performances presented by the theaters and to members of the nonprofit corporations holding the licenses and to their guests.

(b) The city of Minneapolis may issue an intoxicating liquor license to 510 Groveland Associates, a Minnesota cooperative, for use by a restaurant on the premises owned by 510 Groveland Associates, notwithstanding limitations of law, or local ordinance, or charter provision.

(c) The city of Minneapolis may issue an on-sale intoxicating liquor license to Zuhrah Shrine Temple for use on the premises owned by Zuhrah Shrine Temple at 2540 Park Avenue South in Minneapolis, notwithstanding limitations of law, or local ordinances, or charter provision relating to zoning or school or church distances.

(d) The city of Minneapolis may issue an on-sale intoxicating liquor license to the American Association of University Women, Minneapolis branch, for use on the premises owned by the American Association of University Women, Minneapolis branch, at 2115 Stevens Avenue South in Minneapolis, notwithstanding limitations of law, or local ordinances, or charter provisions relating to zoning or school or church distances.

(e) The city of Minneapolis may issue an on-sale wine license and an on-sale 3.2 percent malt liquor license to a restaurant located at 5000 Penn Avenue South, and an on-sale wine license and an on-sale malt liquor license to a restaurant located at 1931 Nicollet Avenue South, notwithstanding any law or local ordinance or charter provision.

(f) The city of Minneapolis may issue an on-sale wine license and an on-sale malt liquor license to the Brave New Workshop Theatre located at 3001 Hennepin Avenue South, the Theatre de la Jeune Lune, the Illusion Theatre located at 528 Hennepin Avenue South, the Hollywood Theatre located at 2815 Johnson Street Northeast, the Loring Playhouse located at 1633 Hennepin Avenue South, the Jungle Theater located at 2951 Lyndale Avenue South, Brave New Institute located at 2605 Hennepin Avenue South, the Guthrie Lab located at 700 North First Street, and the Southern Theatre located at 1420 Washington Avenue South, notwithstanding any law or local ordinance or charter provision. The license authorizes sales on all days of the week.

(g) The city of Minneapolis may issue an on-sale intoxicating liquor license to University Gateway Corporation, a Minnesota nonprofit corporation, for use by a restaurant or catering operator at the building owned and operated by the University Gateway Corporation on the University of Minnesota campus, notwithstanding limitations of law, or local ordinance or charter provision. The license authorizes sales on all days of the week.

(h) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Walker Art Center's concessionaire or operator, for a restaurant and catering operator on the premises of the Walker Art Center, notwithstanding limitations of law, or local ordinance or charter provisions. The license authorizes sales on all days of the week.

(i) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Guthrie Theater's concessionaire or operator for a restaurant and catering operator on the premises of the Guthrie Theater, notwithstanding limitations of law, local ordinance, or charter provisions. The license authorizes sales on all days of the week.

(j) The city of Minneapolis may issue an on-sale wine license and an on-sale malt liquor license to the Minnesota Book and Literary Arts Building, Inc.'s concessionaire or operator for a restaurant and catering operator on the premises of the Minnesota Book and Literary Arts Building, Inc. (dba Open Book), notwithstanding limitations of law, or local ordinance or charter provision. The license authorizes sales on all days of the week.

(k) The city of Minneapolis may issue an on-sale intoxicating liquor license to a restaurant located at 5411 Penn Avenue South, notwithstanding any law or local ordinance or charter provision.

(l) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Museum of Russian Art's concessionaire or operator for a restaurant and catering operator on the premises of the Museum of Russian Art located at 5500 Stevens Avenue South, notwithstanding any law or local ordinance or charter provision.

(m) The city of Minneapolis may issue an on-sale intoxicating liquor license to the American Swedish Institute or to its concessionaire or operator for use on the premises owned by the American Swedish Institute at 2600 Park Avenue South, notwithstanding limitations of law, or local ordinances, or charter provision relating to zoning or school or church distances.

(n) Notwithstanding any other law, local ordinance, or charter provision, the city of Minneapolis may issue one or more on-sale intoxicating liquor licenses to the Minneapolis Society of Fine Arts (dba Minneapolis Institute of Arts), or to an entity holding a concessions or catering contract with the Minneapolis Institute of Arts for use on the premises of the Minneapolis Institute of Arts. The licenses authorized by this subdivision may be issued for space that is not compact and contiguous, provided that all such space is included in the description of the licensed premises on the approved license application. The licenses authorize sales on all days of the week.

(o) The city of Minneapolis may issue an on-sale intoxicating liquor license to Norway House or to its concessionaire or operator for use on the premises owned by Norway House at 913 East Franklin Avenue, notwithstanding limitations of law, or local ordinances, or charter provision relating to zoning or school or church distances.

(p) The city of Minneapolis may issue an on-sale intoxicating liquor license to a restaurant located at 4312 Upton Avenue South, notwithstanding any law or local ordinance or charter provision.

EFFECTIVE DATE. This section is effective upon approval by the Minneapolis City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 10. **[340A.425] SERVICE AT CAPITOL AND CAPITOL GROUNDS.**

Notwithstanding section 340A.412, subdivision 4, paragraph (a), clause (2), the city of St. Paul may issue an on-sale wine and malt liquor license for the premises known as the State Capitol, including the Capitol cafeteria and the Capitol grounds. The commissioner of administration must specify those areas where service is being requested. The Department of Administration shall enter into an agreement with a food service vendor or another vendor on all matters related to the sale of wine and malt liquor in the Capitol. Section 16B.275 does not apply to the sale of wine and malt liquor in the Capitol or on the Capitol grounds and all fees charged or profits earned by the Department of Administration from the sale of wine and malt liquor in the Capitol must be deposited in a capitol revenues account in the general fund and are appropriated to the commissioner for capitol preservation. The Capitol cafeteria must sell wine and malt liquor that are made in Minnesota.

EFFECTIVE DATE. This section is effective the day after the governing body of St. Paul and its chief clerical officer timely complete compliance with section 645.021, subdivisions 2 and 3.

Sec. 11. Laws 1999, chapter 202, section 13, as amended by Laws 2013, chapter 42, section 8, is amended to read:

Sec. 13. **CITY OF ST. PAUL; LICENSES AUTHORIZED.**

(a) The city of St. Paul may issue temporary intoxicating liquor licenses under Minnesota Statutes, section 340A.404, subdivision 10, to Macalester college for the Macalester Scottish fair, Springfest, and for the annual alumni reunion weekend without regard to the limitation in Minnesota Statutes, section 340A.410, subdivision 10, paragraph (b).

(b) Notwithstanding Minnesota Statutes, section 340A.412, subdivision 4, the city of St. Paul may issue a temporary on-sale intoxicating liquor license to Twin Cities in Motion, or its successor organization, if any. The license may authorize ~~only the sale of intoxicating malt liquor and 3.2 percent malt liquor~~ on the grounds of the state capitol on the day of the Twin Cities Marathon. ~~The intoxicating~~ Any malt liquor and 3.2 percent malt liquor sold must be produced by a Minnesota brewery. All provisions of Minnesota Statutes, section 340A.404, subdivision 10, not inconsistent with this section, apply to the license authorized by this section.

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

Sec. 12. **SPECIAL EVENTS; CAPITOL.**

Notwithstanding any law or ordinance to the contrary, the city of Saint Paul may issue two separate temporary liquor licenses for special events at the Minnesota Capitol. The first special event license shall be for events relating to the ceremonial opening of the refurbished State Capitol in August, 2017. The second special event license shall be for events associated with the Superbowl and the construction of an ice castle in 2018. Licenses shall be for on-sale during all legal hours of service and shall allow all service of wine, malt liquor, and distilled spirits. Service must be limited to wine, malt liquor, and distilled spirits that are made in Minnesota.

EFFECTIVE DATE. This section is effective the day after the governing body of St. Paul and its chief clerical officer timely complete compliance with section 645.021, subdivisions 2 and 3.

Sec. 13. **NATIONAL FOOTBALL LEAGUE TRAINING SITE; ON-SALE LICENSES.**

Notwithstanding Minnesota Statutes, section 340A.404, subdivision 1, or any other law or local ordinance to the contrary, the city of Eagan may issue an on-sale intoxicating liquor license to the owner of a National Football League sports facility located on property in the city of Eagan in Dakota County, legally described as Lot 1, Block 1, Viking Lakes, and to any concessionaire operator or third-party vendor under contract with the owner. The license

authorizes the sale of intoxicating liquor to persons attending any and all events on Lots 1 and 2, Block 1, Viking Lakes, that are in conjunction with activities on Lot 1. The license may be issued for a space that is not compact and contiguous, provided that the licensed premises shall only be the space described in the approved license. The license authorizes sales on all days of the week. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the license under this section.

EFFECTIVE DATE. This section is effective upon approval by the Eagan City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 14. **SPECIAL LICENSE; NEW HOPE.**

Notwithstanding any law or ordinance to the contrary, the city of New Hope may issue an on-sale intoxicating liquor license for the New Hope Golf Course that is located at 8130 Bass Lake Road and is owned by the city. The provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the license issued under this section. The city of New Hope is deemed the licensee under this section, and the provisions of Minnesota Statutes, sections 340A.603 and 340A.604, apply to the license as if the establishment were a municipal liquor store.

EFFECTIVE DATE. This section is effective upon approval by the New Hope City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 15. **SPECIAL LICENSE; SARTELL.**

The city of Sartell may issue an on-sale intoxicating liquor license, an on-sale wine license, or an on-sale malt liquor license for the city-owned facilities known as Sartell Community Center, located at 850 19th Street South; Pinecone Central Park, located at 1105 Central Park Blvd; and Champion Field, located at 710 12th Street North, notwithstanding any law, local ordinance, or charter provision. A license issued under this section authorizes sales on all days of the week to persons attending events at these facilities.

EFFECTIVE DATE. This section is effective upon approval by the Sartell City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 16. **SPECIAL CLOSING TIMES; 2018 SUPER BOWL.**

During the 2018 National Football League Super Bowl at U.S. Bank Stadium, licensing jurisdictions that lie wholly or partially within Hennepin and Ramsey Counties may, at their discretion, issue special permits for service of alcohol through extended hours lasting until 4:00 a.m. each day. This section is subject to the following conditions:

(1) only holders of an existing on-sale intoxicating liquor license or a 3.2 malt liquor license are eligible for later closing hours;

(2) later closing hours apply only during the period from 12:00 p.m. on February 2, 2018, to 4:00 a.m. on February 5, 2018;

(3) local licensing jurisdictions issuing special permits to operate with extended hours during the days listed in clause (2) may charge a fee up to but not to exceed \$250 for a permit. In the process of issuing a permit under this section, the licensing jurisdiction may limit approval to specified geographic, zoning, or license classifications within its jurisdiction; and

(4) this section expires at 4:01 a.m. on February 5, 2018.

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

Sec. 17. **REPEALER.**

Laws 2001, chapter 193, section 10, as amended by Laws 2013, chapter 137, article 4, section 6; and Laws 2013, chapter 137, article 4, section 6, are repealed."

Delete the title and insert:

"A bill for an act relating to liquor; allowing service at the Minnesota Capitol; allowing special licenses; requiring microdistilleries and farm wineries to distill on premises; establishing a Minnesota distilled label; modifying off-sale license for microdistilleries; establishing 2018 Super Bowl extended alcohol service hours; amending Minnesota Statutes 2016, sections 340A.22, subdivisions 1, 2, 4; 340A.24, subdivision 3; 340A.28; 340A.285; 340A.301, by adding a subdivision; 340A.315, subdivision 7; 340A.404, subdivision 2; Laws 1999, chapter 202, section 13, as amended; proposing coding for new law in Minnesota Statutes, chapter 340A; repealing Laws 2001, chapter 193, section 10, as amended; Laws 2013, chapter 137, article 4, section 6."

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. 112, A bill for an act relating to local governments; providing for reverse referendum approval of certain issuance of debt; proposing coding for new law in Minnesota Statutes, chapter 416.

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

The report was adopted.

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

H. F. No. 140, A bill for an act relating to education; restructuring Minnesota's teacher licensing system; establishing the Professional Educator Licensing and Standards Board; transferring all teacher licensing and support personnel licensing and credentialing authority to the Professional Educator Licensing and Standards Board; providing for rulemaking; requiring a report; appropriating money; amending Minnesota Statutes 2016, sections 120B.363, subdivision 1; 122A.06; 122A.07; 122A.08; 122A.09, subdivisions 1, 2, 3, 4, 4a, 6, 7, 9, 10; 122A.17; 122A.18, subdivisions 1, 2, 2b, 7a, 7c, 8, by adding subdivisions; 122A.19; 122A.20; 122A.22; 122A.23, subdivision 3; 122A.245, subdivisions 1, 2, 3, 5, 6, 9, 10; 122A.26, subdivision 2; 122A.28; 122A.29; 122A.30; 124D.13, subdivision 11; 124D.454, subdivision 12; 124D.75, subdivisions 1, 6; 125A.67, subdivision 2; 127A.05, subdivision 6; 136A.1791, subdivision 1; 214.04, subdivisions 1, 3; 214.045; proposing coding for new law in Minnesota Statutes, chapter 122A; repealing Minnesota Statutes 2016, sections 122A.09, subdivisions 5, 8, 11; 122A.14, subdivision 5; 122A.162; 122A.163; 122A.18, subdivisions 2a, 3, 3a, 4, 4a, 6, 7, 7b; 122A.21, subdivision 2; 122A.23, subdivisions 1, 2; 122A.245, subdivisions 7, 8; 122A.25.

Reported the same back with the following amendments:

Page 3, after line 8, insert:

"Subd. 7. **Teacher preparation program.** "Teacher preparation program" means a program approved by the Professional Educator Licensing and Standards Board for the purpose of preparing individuals for a specific teacher licensure field in Minnesota. Teacher preparation programs include traditional programs delivered by postsecondary institutions, alternative teacher preparation programs, and nonconventional teacher preparation programs.

Subd. 8. **Teacher preparation program provider.** "Teacher preparation program provider" or "unit" means an entity that has primary responsibility for overseeing and delivering a teacher preparation program."

Page 13, line 21, before the period, insert ", including nonconventional teacher residency programs"

Page 14, line 25, delete everything after "with"

Page 14, line 26, delete "Education and Minnesota colleges and universities offering"

Page 18, line 15, delete "school-year-long" and delete "that combines"

Page 18, delete lines 16 and 17

Page 18, line 18, delete everything before the semicolon

Page 18, line 23, delete "1992 "Model Standards for Beginning Teacher Licensing and"

Page 18, line 24, delete "Development" and insert "2010 "Model Core Teaching Standards"

Page 20, after line 6, insert:

"Subd. 8. **Student teaching program.** A teacher preparation program may provide a year-long student teaching program that combines clinical opportunities with academic coursework and in-depth student teaching experiences to offer students:

(1) ongoing mentorship;

(2) coaching;

(3) assessment;

(4) help to prepare a professional development plan; and

(5) structured learning experiences."

Page 33, after line 3, insert:

"Subd. 5. **Application toward probationary period.** A school district must count the time that a teacher with a Tier 2 license works as a teacher while enrolled in a teacher preparation program toward the three-year probationary period under section 122A.40, subdivision 5, or 122A.41, subdivision 2."

Page 33, line 6, before "The" insert "(a)"

Page 33, line 10, delete everything before the semicolon and insert "in accordance with paragraph (b)"

Page 33, after line 15, insert:

"(b) In consultation with the Governor's Workforce Development Council established under section 116L.665, the board must establish a list of qualifying certifications, and may add additional professional certifications in consultation with school administrators, teachers, and other stakeholders."

Page 34, line 7, delete "candidate has received at least one" and insert "candidate's most recent" and delete ", rated effective" and insert "did not result in placing or otherwise keeping the teacher in an improvement process pursuant to section 122A.40, subdivision 8, or 122A.41, subdivision 5."

Page 34, delete line 8

Page 34, line 16, delete "Tier 3 or"

Page 34, line 19, delete "or" and insert a comma and after "Tier 2" insert ", or Tier 3"

Page 34, line 21, delete "or" and insert a comma and after "122A.182" insert ", or 122A.183"

Page 34, line 22, after "candidates" insert "for Tier 3 and Tier 4 licenses"

Page 34, line 24, after "initial" insert "Tier 3 and Tier 4"

Page 35, line 6, delete "Colleges and universities offering"

Page 35, line 7, delete "and alternative teacher preparation programs"

Page 35, line 10, delete "colleges" and insert "teacher preparation programs"

Page 35, line 11, delete "and universities"

Page 35, line 16, delete "or" and insert a comma

Page 35, line 17, after "2" insert ", or Tier 3" and delete "and" and insert a comma and after "122A.182," insert "or 122A.183,"

Page 38, line 23, before "For" insert "(a)"

Page 38, line 25, strike "These" and insert "(b)" and after "programs" insert "that prepare English as a second language teachers"

Page 51, delete subdivision 3

Page 51, line 4, delete "4" and insert "3"

Page 51, after line 7, insert:

"Sec. 39. **PERMISSIONS, WAIVERS, EXCEPTIONS, AND VARIANCES.**

The Professional Educator Licensing and Standards Board may grant an extension of up to one year for a permission, waiver, variance, or temporary limited license in effect on September 1, 2017."

Renumber the sections in sequence

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

The report was adopted.

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

H. F. No. 202, A bill for an act relating to human services; modifying participation requirements in certain public health care programs for dental service providers; amending Minnesota Statutes 2016, section 256B.0644.

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. 547, A bill for an act relating to education; administration of the federal Child and Adult Care Food Program; amending Minnesota Statutes 2016, section 124D.111, subdivision 2a.

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. 559, A bill for an act relating to health; authorizing a governmental entity to invest funds of a hospital owned or operated by the governmental entity; amending Minnesota Statutes 2016, section 144.581, subdivision 1.

Reported the same back with the recommendation that 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. 630, A bill for an act relating to local government; providing aid for out-of-home placement costs of children under the Indian Child Welfare Act; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 477A.

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.

Scott from the Committee on Civil Law and Data Practices Policy to which was referred:

H. F. No. 696, A bill for an act relating to human services; modifying certain adult foster care licensing provisions; adding individualized home supports to home and community-based services; modifying home and community-based services setting requirements and licensing requirements; modifying planning and case management requirements under certain home and community-based services waivers; modifying child foster care background studies; amending Minnesota Statutes 2016, sections 245A.11, subdivision 2a; 245C.03, subdivision 1; 245C.04, subdivision 1; 245C.05, subdivision 2a; 245C.10, subdivision 9; 245C.17, subdivisions 5, 6; 245C.21, subdivision 1a; 245C.23, subdivision 2; 245D.02, subdivision 36, by adding a subdivision; 245D.03, subdivision 1; 245D.04, subdivision 3; 245D.071, subdivision 3; 245D.09, subdivisions 4, 5a; 245D.11, subdivision 4; 245D.24, subdivision 3; 256B.0911, subdivision 3a; 256B.092, subdivision 1a; 256B.49, subdivision 13; 256B.4913, by adding a subdivision; 256B.4914, subdivisions 3, 5, 8, 16.

Reported the same back with the following amendments:

Page 9, delete sections 10 and 11

Renumber the sections in sequence

Correct the title numbers accordingly

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

The report was adopted.

Scott from the Committee on Civil Law and Data Practices Policy 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 12, delete everything after "products" and insert a period

Page 1, line 13, delete everything before the period and insert "A manufacturer shall compensate a new motor vehicle dealer for warranty service parts and labor required of the new motor vehicle dealer by the manufacturer" and delete "be fair and"

Page 1, line 14, delete "reasonable and" and before "actual" insert "motor vehicle dealer's" and delete "an average percentage markup" and insert "a reasonable markup"

Page 1, line 15, before "described" insert "or be calculated as" and delete "subdivisions 2 and 3" and insert "subdivision 2, at the election of the dealer"

Page 1, line 16, delete "fair and" and after "4" insert ", at the election of the dealer"

Page 1, line 17, delete "at the request of" and insert "for"

Page 1, line 20, before "The" insert "(a)" and delete "an average" and insert "a"

Page 1, line 22, delete "parts" and insert "repairs"

Page 1, line 24, delete "parts" and insert "repairs"

Page 2, delete lines 1 and 2 and insert "the submission to determine the retail rate."

Page 2, before line 3, insert:

"(b) A dealer's retail rate for parts shall be calculated by determining the dealer's total parts sales in the submitted service repair orders under paragraph (a) and dividing that amount by the dealer's total cost to purchase the parts, subtracting one from that amount, and then multiplying by 100. A manufacturer may disapprove a dealer's retail rate if:

(1) the disapproval is provided to the dealer in writing;

(2) the disapproval is sent to the dealer within 30 days of the submission of the retail rate by the dealer to the manufacturer. If a manufacturer fails to approve or disapprove the retail rate within this time period the retail rate is approved;

(3) the disapproval includes a reasonable substantiation that the retail rate submission is inaccurate, incomplete, or unreasonable based on the practices of other similarly situation franchised motor vehicles in a comparable geographic area in the state offering the same line-make of vehicles that elected to receive compensation pursuant to this subdivision; and

(4) the manufacturer proposes an adjustment of the retail rate.

(c) If a manufacturer disapproves a dealer's retail rate, and the dealer does not agree to the manufacturer's proposed adjustment, the parties shall use the manufacturer's internal dispute resolution procedure, if any, within a reasonable time after the dealer notifies the manufacturer of their failure to agree. If the manufacturer's internal dispute resolution procedure is unsuccessful, or if the procedure is not implemented within a reasonable time after the dealer notifies the manufacturer of their failure to agree, the dealer may use the civil remedies available under section 80E.17. A dealer must file a civil suit under section 80E.17, as permitted by this subdivision, within 60 days of receiving the manufacturer's proposed adjustment to the retail rate, or the conclusion of the manufacturer's internal dispute resolution procedure, whichever is later.

(d) Parts and labor, if applicable, associated with the following do not qualify as warranty-like repairs and are excluded from the calculation:"

Page 2, line 3, after "repairs" insert "including parts and labor"

Page 2, line 7, after "(4)" insert "parts and labor to perform"

Page 2, line 10, after "tires" insert "and labor to install or repair"

Page 2, line 11, after "(7)" insert "parts and labor to perform"

Page 2, line 26, before "Compensation" insert "(a)"

Page 3, after line 2, insert:

"(b) A manufacturer may disapprove a dealer's effective nonwarranty labor rate if:

(1) the disapproval is provided to the dealer in writing;

(2) the disapproval is sent to the dealer within 30 days of the submission of the effective nonwarranty labor rate by the dealer to the manufacturer. If a manufacturer fails to approve or disapprove the rate within this time period the rate is approved;

(3) the disapproval includes a reasonable substantiation that the effective nonwarranty labor rate submission is inaccurate, incomplete, or unreasonable based on the practices of other similarly situation franchised motor vehicles in a comparable geographic area in the state offering the same line-make of vehicles that elected to receive compensation pursuant to this subdivision; and

(4) the manufacturer proposes an adjustment of the effective nonwarranty labor rate.

(c) If a manufacturer disapproves a dealer's effective nonwarranty labor rate, and the dealer does not agree to the manufacturer's proposed adjustment, the parties shall use the manufacturer's internal dispute resolution procedure, if any, within a reasonable time after the dealer notifies the manufacturer of their failure to agree. If the manufacturer's internal dispute resolution procedure is unsuccessful, or if the procedure is not implemented within a reasonable time after the dealer notifies the manufacturer of their failure to agree, the dealer may use the civil remedies available under section 80E.17. A dealer must file a civil suit under section 80E.17, as permitted by this subdivision, within 60 days of receiving the manufacturer's proposed adjustment to the effective nonwarranty labor rate, or the conclusion of the manufacturer's internal dispute resolution procedure, whichever is later."

Page 3, line 3, before "A" insert "(a)"

Page 3, after line 4, insert:

"(b) At least ten days prior to submission, a dealer shall provide a manufacturer written notice that the dealer intends to make a submission to establish a retail rate, under subdivision 2, or an effective nonwarranty labor rate, under subdivision 4. Within ten days of receiving the submission, a manufacturer may select the initial repair order date for the consecutive repair orders that will be attached to the submission. If the manufacturer fails to make a selection within ten days of receiving the submission, the dealer shall select the initial repair order date."

Page 3, line 22, before "failure" insert "incidental"

Page 3, line 31, delete everything after "distributor" and insert "and includes manufacturers and distributors of motor vehicle engines, and the term 'dealer' includes dealers of new motor vehicles and motor vehicle engines."

Page 3, delete line 32

Page 9, line 27, after "(o)" insert "(1)"

Page 10, line 1, before "Upon" insert "(2)"

Page 10, line 2, delete "complete"

Page 10, line 3, delete everything after "manufacturer" and insert "in establishing the sales volume to receive a rebate or incentive and the specific calculation to determine the required sales volume"

Page 10, delete line 4

Page 10, line 5, delete "calculations"

Page 10, after line 9, insert:

"(3) Nothing contained in this subdivision requires a manufacturer, distributor, or factory branch to disclose the required numerical sales volumes that any of its franchised dealers must attain to receive a rebate or incentive."

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

The report was adopted.

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

H. F. No. 837, A bill for an act relating to transportation finance; modifying an appropriation for state road construction; amending Laws 2015, chapter 75, article 1, section 3, subdivision 3.

Reported the same back with the following amendments:

Page 4, line 33, delete "final enactment" and insert "submission by the commissioner of transportation of all communications and materials, in their entirety and without redaction, previously provided by the commissioner to any member of the legislature following a request pursuant to the Minnesota Government Data Practices Act, Minnesota Statutes, chapter 13, related to the Department of Transportation's 2016 request to the Legislative Advisory Commission for authorization to expend federal funds under the Fixing America's Surface Transportation Act (FAST Act). The submission must be made to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance, finance, and ways and means, and to the revisor of statutes"

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

The report was adopted.

Scott from the Committee on Civil Law and Data Practices Policy to which was referred:

H. F. No. 857, A bill for an act relating to corrections; ensuring inmate case planning information is private; amending Minnesota Statutes 2016, section 241.065, subdivisions 2, 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
CORRECTIONS DATA

Section 1. Minnesota Statutes 2016, section 241.065, subdivision 2, is amended to read:

Subd. 2. **Establishment.** The Department of Corrections shall administer and maintain a computerized data system for the purpose of assisting criminal justice agencies in conducting official duties and in monitoring and enforcing the conditions of conditional release imposed on criminal offenders by a sentencing court or the commissioner of corrections.

Subd. 2a. **Statewide supervision system access.** (a) The adult data and juvenile data as defined in section 260B.171 in the statewide supervision system are private data as defined in section 13.02, subdivision 12, ~~but~~ and are accessible to:

- (1) criminal justice agencies as defined in section 13.02, subdivision 3a, ~~to~~;
- (2) the Minnesota sex offender program as provided in section 246B.04, subdivision 3, ~~to~~;
- (3) public defenders as provided in section 611.272, ~~to~~;
- (4) all trial courts and appellate courts; ~~and to~~
- (5) criminal justice agencies in other states ~~in the conduct of their official duties.~~

(b) Adult data in the statewide supervision system are accessible to the secretary of state for the purposes described in section 201.157.

Subd. 2b. **Case planning access.** Case planning data in the statewide supervision system are private data as defined in section 13.02, subdivision 12, and are accessible to state prison facility staff, correction staff in community corrections act counties and county probation counties, and Department of Corrections field services staff for monitoring and enforcing conditions as described in subdivision 2.

Sec. 2. Minnesota Statutes 2016, section 241.065, subdivision 3, is amended to read:

Subd. 3. **Authority to enter or retrieve data.** Only criminal justice agencies may submit data to the statewide supervision system and only persons who are authorized users under subdivision 2 may obtain data from the system. The commissioner of corrections may require that any or all information be submitted to the statewide supervision system. A consent to the release of data in the statewide supervision system from the individual who is the subject of the data is not effective. According to subdivision 2b, a finalized case plan can be provided to community service providers for the purposes under subdivision 2.

ARTICLE 2
ELECTRONIC ACCESS DATA

Section 1. Minnesota Statutes 2016, section 13.15, subdivision 1, is amended to read:

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

(a) "Electronic access data" means data created, collected, or maintained about ~~a person's~~ access to a government entity's computer by a person, other than the government entity's employee or independent contractor, for the purpose of:

- (1) gaining access to data or information;
- (2) transferring data or information; or
- (3) using government services.

(b) "Cookie" means any data that a government-operated computer electronically places on the computer of a person who has gained access to a government computer.

ARTICLE 3
BUSINESS DATA

Section 1. Minnesota Statutes 2016, section 13.591, is amended by adding a subdivision to read:

Subd. 2a. **Small business certification program data.** Subdivisions 1 and 2 apply to financial information about a business submitted to a government entity as part of the business' application for certification as a small, small minority-owned, small woman-owned, or veteran-owned business, or for certification under sections 16C.16 to 16C.21.

ARTICLE 4
STUDY BY LEGISLATIVE COMMISSION

Section 1. **EXPANDED PUBLIC ACCESS TO LEGISLATIVE RECORDS AND MEETINGS; STUDY AND RECOMMENDATIONS.**

(a) No later than December 15, 2017, the Legislative Commission on Data Practices and Personal Data Privacy must study and recommend options for expanding public access to legislative records and meetings. The recommendations must facilitate increased public access, participation, and accountability in the legislative process, while also preserving the rights and duties of the legislature and its members to function as a constitutional coequal branch of government.

(b) The study and recommendations should consider:

(1) current laws, rules, and customs and practices of the legislature that provide public access to legislative records and meetings;

(2) the experiences of other state legislatures in providing public access to their records and meetings;

(3) the potential benefits and risks to the legislative process in expanded public access to records and meetings;

(4) the potential benefits and risks to constituents and other individual members of the public in expanded access to legislative records and meetings; and

(5) impacts on the administrative operations of the legislature in implementing any recommended change, including the potential for increased costs or staffing needs."

Delete the title and insert:

"A bill for an act relating to corrections; ensuring inmate case planning information is private; classifying certain data related to small business certification program; directing the Legislative Commission on Data Practices and Personal Data Privacy to study and recommend options for expanding public access to legislative records and meetings; amending Minnesota Statutes 2016, sections 13.15, subdivision 1; 13.591, by adding a subdivision; 241.065, subdivisions 2, 3."

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. 859, A bill for an act relating to transportation; providing for conveyance of unused or divided lands owned or controlled by the Department of Transportation; removing and modifying highways on the trunk highway system; authorizing conveyance of certain state-owned lands in Koochiching County; amending Minnesota Statutes 2016, sections 161.115, subdivision 190; 161.44, subdivisions 5, 6a, by adding a subdivision; repealing Minnesota Statutes 2016, section 161.115, subdivision 32.

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

The report was adopted.

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

H. F. No. 943, A bill for an act relating to state government; modifying provisions for certain interagency agreements and intra-agency transfers; amending Minnesota Statutes 2016, sections 62V.05, subdivision 12; 144.05, subdivision 6; 256.01, subdivision 41.

Reported the same back with the following amendments:

Page 1, line 20, after the period, insert "The MNsure Board shall provide the chairs and ranking minority members with a copy of the agreement upon request."

Page 2, line 15, after the period, insert "The commissioner shall provide the chairs and ranking minority members with a copy of the agreement upon request."

Page 2, line 30, after the period, insert "The commissioner shall provide the chairs and ranking minority members with a copy of the agreement upon request."

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. 944, A bill for an act relating to human services; correcting terminology relating to the Supplemental Nutrition Assistance Program.

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. 986, A bill for an act relating to human services; expanding liability insurance coverage for licensed foster home providers; creating an automobile insurance reimbursement program for licensed foster home providers and persons in foster care; appropriating money; amending Minnesota Statutes 2016, section 245.814, subdivisions 2, 3; proposing coding for new law in Minnesota Statutes, chapter 245.

Reported the same back with the following amendments:

Page 2, delete section 3

Page 3, delete section 4

Amend the title as follows:

Page 1, line 3, delete everything after the semicolon

Page 1, delete line 4

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. 1012, A bill for an act relating to commerce; regulating no-fault auto benefits; requiring the deduction of basic economic loss benefits previously provided; amending Minnesota Statutes 2016, sections 65B.44, subdivision 5; 65B.51, by adding a subdivision.

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. 1091, A bill for an act relating to taxation; liquor; dedicating the proceeds from taxes on Sunday liquor sales; proposing coding for new law in Minnesota Statutes, chapter 340A.

Reported the same back with the following amendments:

Page 1, line 6, delete everything after "(a)"

Page 1, line 7, delete "340A.504, subdivision 4,"

Page 1, line 9, after "sales" insert "under section 340A.504, subdivision 4"

Page 1, line 17, delete "health"

Page 1, line 18, delete "and"

Page 1, line 20, delete "of the calendar year following" and insert ", 2018."

Page 1, line 21, delete the new language

Page 1, line 22, 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.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 1105, A bill for an act relating to the open meeting law; defining meeting; amending Minnesota Statutes 2016, section 13D.01, subdivision 1.

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

The report was adopted.

Dean, M., from the Committee on Health and Human Services Finance 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 recommendation that the bill be placed on the General Register.

The report was adopted.

Scott from the Committee on Civil Law and Data Practices 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 following amendments:

Page 2, delete lines 6 and 7

Pages 2 to 9, delete sections 2 to 14

Amend the title as follows:

Page 1, line 3, delete everything after the first semicolon

Page 1, line 4, delete everything before "amending"

Correct the title numbers accordingly

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

The report was adopted.

Scott from the Committee on Civil Law and Data Practices Policy to which was referred:

H. F. No. 1229, A bill for an act relating to human services; modifying definitions and duties of the Office of Ombudsman for Mental Health and Developmental Disabilities; modifying the Ombudsman Committee; amending Minnesota Statutes 2016, sections 245.91, subdivisions 4, 6; 245.94, subdivision 1; 245.97, subdivision 6.

Reported the same back with the following amendments:

Page 4, line 3, reinstate the stricken "with developmental disabilities" and before the period, insert "and individuals served by the Minnesota sex offender program"

Page 4, line 6, reinstate the stricken "with developmental disabilities" and before the period, insert "and individuals served by the Minnesota sex offender program"

Page 4, after line 21, insert:

"Sec. 5. **EFFECTIVE DATE.**

This act 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.

Scott from the Committee on Civil Law and Data Practices Policy to which was referred:

H. F. No. 1243, A bill for an act relating to security freezes; authorizing security freezes for protected persons; providing exceptions; proposing coding for new law in Minnesota Statutes, chapter 13C.

Reported the same back with the following amendments:

Page 3, line 17, delete "5 or 6" and insert "6 or 9"

Page 3, line 24, delete "5" and insert "6"

Page 5, line 11, delete "retroactively from"

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. 1357, A bill for an act relating to human services; modifying coverage of chiropractic services under medical assistance; amending Minnesota Statutes 2016, section 256B.0625, subdivision 8e; repealing Minnesota Rules, part 9505.0245.

Reported the same back with the following amendments:

Page 1, line 12, after "148.06" insert ", subject to the limitations of paragraph (a), and"

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. 1362, A bill for an act relating to family law; appropriating money for a grant to NorthPoint Health and Wellness Center for coparent services.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **APPROPRIATION; HEALTH AND WELLNESS CENTER.**

(a) \$200,000 in fiscal year 2018 and \$200,000 in fiscal year 2019 are appropriated from the general fund to the commissioner of human services for a grant to a health and wellness center located in North Minneapolis that is a federally qualified health center. The center must use the grant money to offer coparent services to unmarried parents. The center must develop a process to inform and educate unmarried parents about the center's coparent services. The coparent services must include the following:

(1) coparenting workshops for the unmarried parents;

(2) assistance to the unmarried parents in developing a parenting plan that specifies a schedule of the time each parent spends with the child, child support obligations, and a designation of decision-making responsibilities regarding the child's education, medical needs, and religious upbringing;

(3) an assessment of social service needs for each parent; and

(4) additional social service support, including support related to employment, education, and housing.

(b) The parenting plan assistance under paragraph (a) must include the option of using private mediation.

(c) The coparent workshops required under paragraph (a) must focus at a minimum on (i) the benefits to the child of having both parents involved in a child's life, (ii) promoting both parents' participation in a child's life, (iii) building coparenting and communication skills, (iv) information on establishing paternity, (v) assisting parents in developing a parenting plan, and (vi) educating participants on how to foster a nonresident parent's continued involvement in a child's life."

Amend the title as follows:

Page 1, line 2, delete "to NorthPoint Health and"

Page 1, line 3, delete "Wellness Center"

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.

Dean, M., from the Committee on Health and Human Services Finance to which was referred:

H. F. No. 1371, A bill for an act relating to health; authorizing a hospital construction moratorium exception for a juvenile psychiatric hospital; amending Minnesota Statutes 2016, section 144.551, subdivision 1.

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

The report was adopted.

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

H. F. No. 1376, A bill for an act relating to education; providing for prekindergarten through grade 12 education, including general education, education excellence, teachers, special education, self-sufficiency and lifelong learning, and libraries; amending Minnesota Statutes 2016, sections 120B.021, subdivisions 1, 3; 120B.022, subdivision 1b; 120B.12; 120B.30, subdivision 1a; 121A.22, subdivision 2; 121A.221; 123B.92, subdivision 1; 124D.09, subdivisions 3, 5, 13, by adding a subdivision; 124D.095, subdivision 3; 124D.52, subdivision 7; 124E.02; 124E.03, subdivision 2; 124E.05, subdivision 7; 124E.06, subdivisions 3, 7; 124E.10, subdivision 5; 124E.11; 124E.12, subdivision 1; 124E.16, by adding a subdivision; 125A.0941; 125A.515; 127A.41, subdivision 3; 127A.45, subdivision 10; 134.31, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 122A; repealing Minnesota Statutes 2016, section 124D.73, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1 GENERAL EDUCATION

Section 1. Minnesota Statutes 2016, section 121A.22, subdivision 2, is amended to read:

Subd. 2. **Exclusions.** In addition, this section does not apply to drugs or medicine that are:

- (1) purchased without a prescription;
- (2) used by a pupil who is 18 years old or older;
- (3) used in connection with services for which a minor may give effective consent, including section 144.343, subdivision 1, and any other law;
- (4) used in situations in which, in the judgment of the school personnel who are present or available, the risk to the pupil's life or health is of such a nature that drugs or medicine should be given without delay;
- (5) used off the school grounds;
- (6) used in connection with athletics or extra curricular activities;
- (7) used in connection with activities that occur before or after the regular school day;
- (8) provided or administered by a public health agency to prevent or control an illness or a disease outbreak as provided for in sections 144.05 and 144.12;

(9) prescription asthma or reactive airway disease medications self-administered by a pupil with an asthma inhaler, consistent with section 121A.221, if the district has received a written authorization from the pupil's parent permitting the pupil to self-administer the medication, the inhaler is properly labeled for that student, and the parent has not requested school personnel to administer the medication to the pupil. The parent must submit written authorization for the pupil to self-administer the medication each school year; or

(10) epinephrine auto-injectors, consistent with section 121A.2205, if the parent and prescribing medical professional annually inform the pupil's school in writing that (i) the pupil may possess the epinephrine or (ii) the pupil is unable to possess the epinephrine and requires immediate access to epinephrine auto-injectors that the parent provides properly labeled to the school for the pupil as needed.

Sec. 2. Minnesota Statutes 2016, section 121A.221, is amended to read:

121A.221 POSSESSION AND USE OF ASTHMA INHALERS BY ASTHMATIC STUDENTS.

(a) Consistent with section 121A.22, subdivision 2, clause (9), in a school district that employs a school nurse or provides school nursing services under another arrangement, the school nurse or other appropriate party must assess the student's knowledge and skills to safely possess and use an asthma inhaler in a school setting and enter into the student's school health record a plan to implement safe possession and use of asthma inhalers.

(b) Consistent with section 121A.22, subdivision 2, clause (9), in a school that does not have a school nurse or school nursing services, the student's parent or guardian must submit written verification from the prescribing professional that documents an assessment of the student's knowledge and skills to safely possess and use an asthma inhaler in a school setting has been completed.

Sec. 3. Minnesota Statutes 2016, section 123B.92, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For purposes of this section and section 125A.76, the terms defined in this subdivision have the meanings given to them.

(a) "Actual expenditure per pupil transported in the regular and excess transportation categories" means the quotient obtained by dividing:

(1) the sum of:

(i) all expenditures for transportation in the regular category, as defined in paragraph (b), clause (1), and the excess category, as defined in paragraph (b), clause (2), plus

(ii) an amount equal to one year's depreciation on the district's school bus fleet and mobile units computed on a straight line basis at the rate of 15 percent per year for districts operating a program under section 124D.128 for grades 1 to 12 for all students in the district and 12-1/2 percent per year for other districts of the cost of the fleet, plus

(iii) an amount equal to one year's depreciation on the district's type III vehicles, as defined in section 169.011, subdivision 71, which must be used a majority of the time for pupil transportation purposes, computed on a straight line basis at the rate of 20 percent per year of the cost of the type three school buses by:

(2) the number of pupils eligible for transportation in the regular category, as defined in paragraph (b), clause (1), and the excess category, as defined in paragraph (b), clause (2).

(b) "Transportation category" means a category of transportation service provided to pupils as follows:

(1) Regular transportation is:

(i) transportation to and from school during the regular school year for resident elementary pupils residing one mile or more from the public or nonpublic school they attend, and resident secondary pupils residing two miles or more from the public or nonpublic school they attend, excluding desegregation transportation and noon kindergarten transportation; but with respect to transportation of pupils to and from nonpublic schools, only to the extent permitted by sections 123B.84 to 123B.87;

(ii) transportation of resident pupils to and from language immersion programs;

(iii) transportation of a pupil who is a custodial parent and that pupil's child between the pupil's home and the child care provider and between the provider and the school, if the home and provider are within the attendance area of the school;

(iv) transportation to and from or board and lodging in another district, of resident pupils of a district without a secondary school; and

(v) transportation to and from school during the regular school year required under subdivision 3 for nonresident elementary pupils when the distance from the attendance area border to the public school is one mile or more, and for nonresident secondary pupils when the distance from the attendance area border to the public school is two miles or more, excluding desegregation transportation and noon kindergarten transportation.

For the purposes of this paragraph, a district may designate a licensed day care facility, school day care facility, respite care facility, the residence of a relative, or the residence of a person or other location chosen by the pupil's parent or guardian, or an after-school program for children operated by a political subdivision of the state, as the home of a pupil for part or all of the day, if requested by the pupil's parent or guardian, and if that facility, residence, or program is within the attendance area of the school the pupil attends.

(2) Excess transportation is:

(i) transportation to and from school during the regular school year for resident secondary pupils residing at least one mile but less than two miles from the public or nonpublic school they attend, and transportation to and from school for resident pupils residing less than one mile from school who are transported because of full-service school zones, extraordinary traffic, drug, or crime hazards; and

(ii) transportation to and from school during the regular school year required under subdivision 3 for nonresident secondary pupils when the distance from the attendance area border to the school is at least one mile but less than two miles from the public school they attend, and for nonresident pupils when the distance from the attendance area border to the school is less than one mile from the school and who are transported because of full-service school zones, extraordinary traffic, drug, or crime hazards.

(3) Desegregation transportation is transportation within and outside of the district during the regular school year of pupils to and from schools located outside their normal attendance areas under a plan for desegregation mandated by the commissioner or under court order.

(4) "Transportation services for pupils with disabilities" is:

(i) transportation of pupils with disabilities who cannot be transported on a regular school bus between home or a respite care facility and school;

(ii) necessary transportation of pupils with disabilities from home or from school to other buildings, including centers such as developmental achievement centers, hospitals, and treatment centers where special instruction or services required by sections 125A.03 to 125A.24, 125A.26 to 125A.48, and 125A.65 are provided, within or outside the district where services are provided;

(iii) necessary transportation for resident pupils with disabilities required by sections 125A.12, and 125A.26 to 125A.48;

(iv) board and lodging for pupils with disabilities in a district maintaining special classes;

(v) transportation from one educational facility to another within the district for resident pupils enrolled on a shared-time basis in educational programs, and necessary transportation required by sections 125A.18, and 125A.26 to 125A.48, for resident pupils with disabilities who are provided special instruction and services on a shared-time basis or if resident pupils are not transported, the costs of necessary travel between public and private schools or neutral instructional sites by essential personnel employed by the district's program for children with a disability;

(vi) transportation for resident pupils with disabilities to and from board and lodging facilities when the pupil is boarded and lodged for educational purposes;

(vii) transportation of pupils for a curricular field trip activity on a school bus equipped with a power lift when the power lift is required by a student's disability or section 504 plan; and

(viii) services described in clauses (i) to (vii), when provided for pupils with disabilities in conjunction with a summer instructional program that relates to the pupil's individualized education program or in conjunction with a learning year program established under section 124D.128.

For purposes of computing special education initial aid under section 125A.76, the cost of providing transportation for children with disabilities includes (A) the additional cost of transporting a student in a shelter care facility as defined in section 260C.007, subdivision 30, a homeless student ~~from a temporary nonshelter home~~ in another district to the school of origin, or a formerly homeless student from a permanent home in another district to the school of origin but only through the end of the academic year; and (B) depreciation on district-owned school buses purchased after July 1, 2005, and used primarily for transportation of pupils with disabilities, calculated according to paragraph (a), clauses (ii) and (iii). Depreciation costs included in the disabled transportation category must be excluded in calculating the actual expenditure per pupil transported in the regular and excess transportation categories according to paragraph (a). For purposes of subitem (A), a school district may transport a child who does not have a school of origin to the same school attended by that child's sibling, if the siblings are homeless or in a shelter care facility.

(5) "Nonpublic nonregular transportation" is:

(i) transportation from one educational facility to another within the district for resident pupils enrolled on a shared-time basis in educational programs, excluding transportation for nonpublic pupils with disabilities under clause (4);

(ii) transportation within district boundaries between a nonpublic school and a public school or a neutral site for nonpublic school pupils who are provided pupil support services pursuant to section 123B.44; and

(iii) late transportation home from school or between schools within a district for nonpublic school pupils involved in after-school activities.

(c) "Mobile unit" means a vehicle or trailer designed to provide facilities for educational programs and services, including diagnostic testing, guidance and counseling services, and health services. A mobile unit located off nonpublic school premises is a neutral site as defined in section 123B.41, subdivision 13.

EFFECTIVE DATE. This section is effective retroactively from December 10, 2016.

Sec. 4. Minnesota Statutes 2016, section 127A.45, subdivision 10, is amended to read:

Subd. 10. **Payments to school nonoperating funds.** Each fiscal year state general fund payments for a district nonoperating fund must be made at the current year aid payment percentage of the estimated entitlement during the fiscal year of the entitlement. This amount shall be paid in ~~42~~ six equal monthly installments from July through December. The amount of the actual entitlement, after adjustment for actual data, minus the payments made during the fiscal year of the entitlement must be paid prior to October 31 of the following school year. The commissioner may make advance payments of debt service equalization aid and state-paid tax credits for a district's debt service fund earlier than would occur under the preceding schedule if the district submits evidence showing a serious cash flow problem in the fund. The commissioner may make earlier payments during the year and, if necessary, increase the percent of the entitlement paid to reduce the cash flow problem.

Sec. 5. **REPEALER.**

Minnesota Statutes 2016, section 124D.73, subdivision 2, is repealed.

ARTICLE 2 EDUCATION EXCELLENCE

Section 1. Minnesota Statutes 2016, section 120A.22, subdivision 9, is amended to read:

Subd. 9. **Curriculum Knowledge and skills.** Instruction must be provided in at least the following subject areas:

- (1) basic communication skills including reading and writing, literature, and fine arts;
- (2) mathematics and science;
- (3) social studies including history, geography, ~~and economics,~~ government, and citizenship; and
- (4) health and physical education.

Instruction, textbooks, and materials must be in the English language. Another language may be used pursuant to sections 124D.59 to 124D.61.

Sec. 2. Minnesota Statutes 2016, section 120A.41, is amended to read:

120A.41 LENGTH OF SCHOOL YEAR; HOURS OF INSTRUCTION.

(a) A school board's annual school calendar must include at least 425 hours of instruction for a kindergarten student without a disability, 935 hours of instruction for a student in grades 1 through 6, and 1,020 hours of instruction for a student in grades 7 through 12, not including summer school. The school calendar for all-day kindergarten must include at least 850 hours of instruction for the school year. The school calendar for a prekindergarten student under section 124D.151, if offered by the district, must include at least 350 hours of instruction for the school year. A school board's annual calendar must include at least 165 days of instruction for a student in grades 1 through 11 unless a four-day week schedule has been approved by the commissioner under section 124D.126.

(b) A school board's annual school calendar may include plans for up to five days of instruction provided through online instruction due to inclement weather. The inclement weather plans must be developed according to section 120A.414.

Sec. 3. **[120A.414] E-LEARNING DAYS.**

Subdivision 1. **Days.** "E-learning day" means a school day where a school offers full access to online instruction provided by students' individual teachers due to inclement weather. A school district or charter school that chooses to have e-learning days may have up to five e-learning days in one school year. An e-learning day is counted as a day of instruction and included in the hours of instruction under section 120A.41.

Subd. 2. **Plan.** A school board may adopt an e-learning day plan after consulting with the exclusive representative of the teachers. A charter school may adopt an e-learning day plan after consulting with its teachers. The plan must include accommodations for students without Internet access at home and for digital device access for families without the technology or an insufficient amount of technology for the number of children in the household. A school's e-learning day plan must provide accessible options for students with disabilities in accordance with chapter 125A.

Subd. 3. **Annual notice.** A school district or charter school must notify parents and students of the e-learning day plan at the beginning of the school year.

Subd. 4. **Daily notice.** On an e-learning day declared by the school, a school district or charter school must notify parents and students at least two hours prior to the normal school start time that students need to follow the e-learning day plan for that day.

Subd. 5. **Teacher access.** Each student's teacher must be accessible both online and by telephone during normal school hours on an e-learning day to assist students and parents.

EFFECTIVE DATE. This section is effective for the 2017-2018 school year and later.

Sec. 4. Minnesota Statutes 2016, section 120B.021, subdivision 1, is amended to read:

Subdivision 1. **Required academic standards.** (a) The following subject areas are required for statewide accountability:

- (1) language arts;
- (2) mathematics;
- (3) science;
- (4) social studies, including history, geography, economics, and government and citizenship that includes civics consistent with section 120B.02, subdivision 3;
- (5) physical education;
- (6) health, for which locally developed academic standards apply; and
- (7) the arts, for which statewide or locally developed academic standards apply, as determined by the school district. Public elementary and middle schools must offer at least three and require at least two of the following four arts areas: dance; music; theater; and visual arts. Public high schools must offer at least three and require at least one of the following five arts areas: media arts; dance; music; theater; and visual arts.

(b) For purposes of applicable federal law, the academic standards for language arts, mathematics, and science apply to all public school students, except the very few students with extreme cognitive or physical impairments for whom an individualized education program team has determined that the required academic standards are inappropriate. An individualized education program team that makes this determination must establish alternative standards.

(c) Beginning in the 2016-2017 school year, the department must adopt the most recent ~~National Association of Sport and Physical Education~~ SHAPE America (Society of Health and Physical Educators) kindergarten through grade 12 standards and benchmarks for physical education as the required physical education academic standards. The department may modify and adapt the national standards to accommodate state interest. The modification and adaptations must maintain the purpose and integrity of the national standards. The department must make available sample assessments, which school districts may use as an alternative to local assessments, to assess students' mastery of the physical education standards beginning in the 2018-2019 school year.

(d) District efforts to develop, implement, or improve instruction or curriculum as a result of the provisions of this section must be consistent with sections 120B.10, 120B.11, and 120B.20.

Sec. 5. Minnesota Statutes 2016, section 120B.021, subdivision 3, is amended to read:

Subd. 3. **Rulemaking.** The commissioner, consistent with the requirements of this section and section 120B.022, must adopt statewide rules under section 14.389 for implementing statewide rigorous core academic standards in language arts, mathematics, science, social studies, physical education, and the arts. After the rules authorized under this subdivision are initially adopted, the commissioner may not amend or repeal these rules nor adopt new rules on the same topic without specific legislative authorization. ~~The academic standards for language arts, mathematics, and the arts must be implemented for all students beginning in the 2003-2004 school year. The academic standards for science and social studies must be implemented for all students beginning in the 2005-2006 school year.~~

Sec. 6. Minnesota Statutes 2016, section 120B.022, subdivision 1b, is amended to read:

Subd. 1b. **State bilingual and multilingual seals.** (a) Consistent with efforts to strive for the world's best workforce under sections 120B.11 and 124E.03, subdivision 2, paragraph (i), and close the academic achievement and opportunity gap under sections 124D.861 and 124D.862, voluntary state bilingual and multilingual seals are established to recognize high school students in any school district, charter school, or nonpublic school who demonstrate an advanced-low level or an intermediate high level of functional proficiency in listening, speaking, reading, and writing on either assessments aligned with American Council on the Teaching of Foreign Languages' (ACTFL) proficiency guidelines or on equivalent valid and reliable assessments in one or more languages in addition to English. American Sign Language is a language other than English for purposes of this subdivision and a world language for purposes of subdivision 1a.

(b) In addition to paragraph (a), to be eligible to receive a seal:

(1) students must satisfactorily complete all required English language arts credits; and

(2) students must demonstrate mastery of Minnesota's English language proficiency standards.

(c) Consistent with this subdivision, a high school student who demonstrates an intermediate high ACTFL level of functional proficiency in one language in addition to English is eligible to receive the state bilingual gold seal. A high school student who demonstrates an intermediate high ACTFL level of functional native proficiency in more than one language in addition to English is eligible to receive the state multilingual gold seal. A high school student who demonstrates an advanced-low ACTFL level of functional proficiency in one language in addition to English is

eligible to receive the state bilingual platinum seal. A high school student who demonstrates an advanced-low ACTFL level of functional proficiency in more than one language in addition to English is eligible to receive the state multilingual platinum seal.

(d) School districts and charter schools may give students periodic opportunities to demonstrate their level of proficiency in listening, speaking, reading, and writing in a language in addition to English. Where valid and reliable assessments are unavailable, a school district or charter school may rely on evaluators trained in assessing under ACTFL proficiency guidelines to assess a student's level of foreign, heritage, or indigenous language proficiency under this section. School districts and charter schools must maintain appropriate records to identify high school students eligible to receive the state bilingual or multilingual gold and platinum seals. The school district or charter school must affix the appropriate seal to the transcript of each high school student who meets the requirements of this subdivision and may affix the seal to the student's diploma. A school district or charter school must not charge the high school student a fee for this seal.

(e) A school district or charter school may award elective course credits in world languages to a student who demonstrates the requisite proficiency in a language other than English under this section.

(f) A school district or charter school may award community service credit to a student who demonstrates an intermediate high or advanced-low ACTFL level of functional proficiency in listening, speaking, reading, and writing in a language other than English and who participates in community service activities that are integrated into the curriculum, involve the participation of teachers, and support biliteracy in the school or local community.

(g) The commissioner must list on the Web page those assessments that are aligned to ACTFL proficiency guidelines.

(h) By August 1, 2015, the colleges and universities of the Minnesota State Colleges and Universities system must establish criteria to translate the seals into college credits based on the world language course equivalencies identified by the Minnesota State Colleges and Universities faculty and staff and, upon request from an enrolled student, the Minnesota State Colleges and Universities may award foreign language credits to a student who receives a Minnesota World Language Proficiency Certificate under subdivision 1a. A student who demonstrated the requisite level of language proficiency in grade 10, 11, or 12 to receive a seal or certificate and is enrolled in a Minnesota State Colleges and Universities institution must request college credits for the student's seal or proficiency certificate within three academic years after graduating from high school. The University of Minnesota is encouraged to award students foreign language academic credits consistent with this paragraph.

Sec. 7. Minnesota Statutes 2016, section 120B.232, subdivision 1, is amended to read:

Subdivision 1. **Character development education.** (a) Character education is the shared responsibility of parents, teachers, and members of the community. The legislature encourages districts to integrate or offer instruction on character education including, but not limited to, character qualities such as attentiveness, truthfulness, respect for authority, diligence, gratefulness, self-discipline, patience, forgiveness, respect for others, peacemaking, and resourcefulness. Instruction should be integrated into a district's existing programs, curriculum, or the general school environment. To the extent practicable, instruction should be integrated into positive behavioral intervention strategies, in accordance with section 122A.627. The commissioner shall provide assistance at the request of a district to develop character education curriculum and programs.

(b) Character development education under paragraph (a) may include a voluntary elementary, middle, and high school program that incorporates the history and values of Congressional Medal of Honor recipients and may be offered as part of the social studies, English language arts, or other curriculum, as a schoolwide character building and veteran awareness initiative, or as an after-school program, among other possibilities.

Sec. 8. Minnesota Statutes 2016, section 120B.30, subdivision 1, is amended to read:

Subdivision 1. **Statewide testing.** (a) The commissioner, with advice from experts with appropriate technical qualifications and experience and stakeholders, consistent with subdivision 1a, shall include in the comprehensive assessment system, for each grade level to be tested, state-constructed tests developed as computer-adaptive reading and mathematics assessments for students that are aligned with the state's required academic standards under section 120B.021, include multiple choice questions, and are administered annually to all students in grades 3 through 8. State-developed high school tests aligned with the state's required academic standards under section 120B.021 and administered to all high school students in a subject other than writing must include multiple choice questions. The commissioner shall establish one or more months during which schools shall administer the tests to students each school year.

(1) Students enrolled in grade 8 through the 2009-2010 school year are eligible to be assessed under (i) the graduation-required assessment for diploma in reading, mathematics, or writing under Minnesota Statutes 2012, section 120B.30, subdivision 1, paragraphs (c), clauses (1) and (2), and (d), (ii) the WorkKeys job skills assessment, (iii) the Compass college placement test, (iv) the ACT assessment for college admission, (v) a nationally recognized armed services vocational aptitude test.

(2) Students enrolled in grade 8 in the 2010-2011 or 2011-2012 school year are eligible to be assessed under (i) the graduation-required assessment for diploma in reading, mathematics, or writing under Minnesota Statutes 2012, section 120B.30, subdivision 1, paragraph (c), clauses (1) and (2), (ii) the WorkKeys job skills assessment, (iii) the Compass college placement test, (iv) the ACT assessment for college admission, (v) a nationally recognized armed services vocational aptitude test.

(3) For students under clause (1) or (2), a school district may substitute a score from an alternative, equivalent assessment to satisfy the requirements of this paragraph.

(b) The state assessment system must be aligned to the most recent revision of academic standards as described in section 120B.023 in the following manner:

(1) mathematics;

(i) grades 3 through 8 beginning in the 2010-2011 school year; and

(ii) high school level beginning in the 2013-2014 school year;

(2) science; grades 5 and 8 and at the high school level beginning in the 2011-2012 school year; and

(3) language arts and reading; grades 3 through 8 and high school level beginning in the 2012-2013 school year.

(c) For students enrolled in grade 8 in the 2012-2013 school year and later, students' state graduation requirements, based on a longitudinal, systematic approach to student education and career planning, assessment, instructional support, and evaluation, include the following:

(1) an opportunity to participate on a nationally normed college entrance exam, in grade 11 or grade 12;

(2) achievement and career and college readiness in mathematics, reading, and writing, consistent with paragraph (k) and to the extent available, to monitor students' continuous development of and growth in requisite knowledge and skills; analyze students' progress and performance levels, identifying students' academic strengths and

diagnosing areas where students require curriculum or instructional adjustments, targeted interventions, or remediation; and, based on analysis of students' progress and performance data, determine students' learning and instructional needs and the instructional tools and best practices that support academic rigor for the student; and

(3) consistent with this paragraph and section 120B.125, age-appropriate exploration and planning activities and career assessments to encourage students to identify personally relevant career interests and aptitudes and help students and their families develop a regularly reexamined transition plan for postsecondary education or employment without need for postsecondary remediation.

Based on appropriate state guidelines, students with an individualized education program may satisfy state graduation requirements by achieving an individual score on the state-identified alternative assessments.

(d) Expectations of schools, districts, and the state for career or college readiness under this subdivision must be comparable in rigor, clarity of purpose, and rates of student completion.

A student under paragraph (c), clause (2), must receive targeted, relevant, academically rigorous, and resourced instruction, which may include a targeted instruction and intervention plan focused on improving the student's knowledge and skills in core subjects so that the student has a reasonable chance to succeed in a career or college without need for postsecondary remediation. Consistent with sections 120B.13, 124D.09, 124D.091, 124D.49, and related sections, an enrolling school or district must actively encourage a student in grade 11 or 12 who is identified as academically ready for a career or college to participate in courses and programs awarding college credit to high school students. Students are not required to achieve a specified score or level of proficiency on an assessment under this subdivision to graduate from high school.

(e) Though not a high school graduation requirement, students are encouraged to participate in a nationally recognized college entrance exam. To the extent state funding for college entrance exam fees is available, a district must pay the cost, one time, for an interested student in grade 11 or 12 to take a nationally recognized college entrance exam before graduating. A student must be able to take the exam under this paragraph at the student's high school during the school day and at any one of the multiple exam administrations available to students in the district. A district may administer the ACT or SAT or both the ACT and SAT to comply with this paragraph. If the district administers only one of these two tests and a student opts not to take that test and chooses instead to take the other of the two tests, the student may take the other test at a different time or location and remains eligible for the examination fee reimbursement.

(f) The commissioner and the chancellor of the Minnesota State Colleges and Universities must collaborate in aligning instruction and assessments for adult basic education students and English learners to provide the students with diagnostic information about any targeted interventions, accommodations, modifications, and supports they need so that assessments and other performance measures are accessible to them and they may seek postsecondary education or employment without need for postsecondary remediation. When administering formative or summative assessments used to measure the academic progress, including the oral academic development, of English learners and inform their instruction, schools must ensure that the assessments are accessible to the students and students have the modifications and supports they need to sufficiently understand the assessments.

(g) Districts and schools, on an annual basis, must use career exploration elements to help students, beginning no later than grade 9, and their families explore and plan for postsecondary education or careers based on the students' interests, aptitudes, and aspirations. Districts and schools must use timely regional labor market information and partnerships, among other resources, to help students and their families successfully develop, pursue, review, and revise an individualized plan for postsecondary education or a career. This process must help increase students' engagement in and connection to school, improve students' knowledge and skills, and deepen students' understanding of career pathways as a sequence of academic and career courses that lead to an industry-recognized credential, an associate's degree, or a bachelor's degree and are available to all students, whatever their interests and career goals.

(h) A student who demonstrates attainment of required state academic standards, which include career and college readiness benchmarks, on high school assessments under subdivision 1a is academically ready for a career or college and is encouraged to participate in courses awarding college credit to high school students. Such courses and programs may include sequential courses of study within broad career areas and technical skill assessments that extend beyond course grades.

(i) As appropriate, students through grade 12 must continue to participate in targeted instruction, intervention, or remediation and be encouraged to participate in courses awarding college credit to high school students.

(j) In developing, supporting, and improving students' academic readiness for a career or college, schools, districts, and the state must have a continuum of empirically derived, clearly defined benchmarks focused on students' attainment of knowledge and skills so that students, their parents, and teachers know how well students must perform to have a reasonable chance to succeed in a career or college without need for postsecondary remediation. The commissioner, in consultation with local school officials and educators, and Minnesota's public postsecondary institutions must ensure that the foundational knowledge and skills for students' successful performance in postsecondary employment or education and an articulated series of possible targeted interventions are clearly identified and satisfy Minnesota's postsecondary admissions requirements.

(k) For students in grade 8 in the 2012-2013 school year and later, a school, district, or charter school must record on the high school transcript a student's progress toward career and college readiness, and for other students as soon as practicable.

(l) The school board granting students their diplomas may formally decide to include a notation of high achievement on the high school diplomas of those graduating seniors who, according to established school board criteria, demonstrate exemplary academic achievement during high school.

(m) The 3rd through 8th grade computer-adaptive assessment results and high school test results shall be available to districts for diagnostic purposes affecting student learning and district instruction and curriculum, and for establishing educational accountability. The commissioner must establish empirically derived benchmarks on adaptive assessments in grades 3 through 8. The commissioner, in consultation with the chancellor of the Minnesota State Colleges and Universities, must establish empirically derived benchmarks on the high school tests that reveal a trajectory toward career and college readiness consistent with section 136F.302, subdivision 1a. The commissioner must disseminate to the public the computer-adaptive assessments and high school test results upon receiving those results.

(n) The grades 3 through 8 computer-adaptive assessments and high school tests must be aligned with state academic standards. The commissioner shall determine the testing process and the order of administration. The statewide results shall be aggregated at the site and district level, consistent with subdivision 1a.

(o) The commissioner shall include the following components in the statewide public reporting system:

(1) uniform statewide computer-adaptive assessments of all students in grades 3 through 8 and testing at the high school levels that provides appropriate, technically sound accommodations or alternate assessments;

(2) educational indicators that can be aggregated and compared across school districts and across time on a statewide basis, including average daily attendance, high school graduation rates, and high school drop-out rates by age and grade level;

(3) state results on the American College Test; and

(4) state results from participation in the National Assessment of Educational Progress so that the state can benchmark its performance against the nation and other states, and, where possible, against other countries, and contribute to the national effort to monitor achievement.

(p) For purposes of statewide accountability, "career and college ready" means a high school graduate has the knowledge, skills, and competencies to successfully pursue a career pathway, including postsecondary credit leading to a degree, diploma, certificate, or industry-recognized credential and employment. Students who are career and college ready are able to successfully complete credit-bearing coursework at a two- or four-year college or university or other credit-bearing postsecondary program without need for remediation.

(q) For purposes of statewide accountability, "cultural competence," "cultural competency," or "culturally competent" means the ability and will of families and educators to interact effectively with people of different cultures, native languages, and socioeconomic backgrounds.

Sec. 9. Minnesota Statutes 2016, section 120B.31, is amended by adding a subdivision to read:

Subd. 3a. **Rollout sites; report.** The commissioner of education shall designate up to six school districts or charter schools as rollout sites.

(a) The rollout sites should represent urban school districts, suburban school districts, nonurban school districts, and charter schools. The commissioner shall designate rollout sites and notify the schools by August 1, 2017, and the designated school districts or charter schools will have the right to opt-out or opt-in as rollout sites by September 1, 2017.

(b) The commissioner must consult stakeholders and review the American Community Survey to develop recommendations for best practices for disaggregated data. Stakeholders consulted under this paragraph include at least:

(1) the rollout sites;

(2) parent groups; and

(3) community representatives.

(c) The commissioner shall report to the legislative committees having jurisdiction over kindergarten through grade 12 education policy and finance by February 1, 2018. The commissioner may research best practices from other states that have disaggregated data beyond the requirements of the most recent reauthorization of the Elementary and Secondary Education Act. The recommendations may address:

(1) the most meaningful use of disaggregated data, including but not limited to which reports should include further disaggregated data;

(2) collection of additional student characteristics, including but not limited to ensuring enhanced enrollment forms;

(i) provide context and the objective of additional data;

(ii) are designed to convey respect and acknowledgment of the sensitive nature of the additional data; and

(iii) are designed to collect data consistent with user feedback;

(3) efficient data-reporting approaches when reporting additional information to the department;

(4) the frequency by which districts and schools must update enrollment forms to meet the needs of the state's changing racial and ethnic demographics; and

(5) the criteria for determining additional data. This recommendation should include a recommendation for frequency of reviews and updates of the additional data and should also identify the approach of updating any additional census data and data on new enrollees. This recommendation must consider additional student groups that may face education disparities and must take into account maintaining student privacy and providing nonidentifiable student level data.

EFFECTIVE DATE. This section is effective for the 2018-2019 school year and later.

Sec. 10. Minnesota Statutes 2016, section 120B.31, subdivision 4, is amended to read:

Subd. 4. **Student performance data.** In developing policies and assessment processes to hold schools and districts accountable for high levels of academic standards under section 120B.021, the commissioner shall aggregate and disaggregate student data over time to report summary student performance and growth levels and, under section 120B.11, subdivision 2, clause (2), student learning and outcome data measured at the school, school district, and statewide level. The commissioner shall use the student categories identified under the federal Elementary and Secondary Education Act, as most recently reauthorized, and student categories of:

(1) homelessness;

(2) ethnicity; under section 120B.35, subdivision 3, paragraph (a), clause (2);

(3) race; under section 120B.35, subdivision 3, paragraph (a), clause (2);

(4) home language, ~~immigrant, refugee status;~~

(5) English learners under section 124D.59;

(6) free or reduced-price lunch; and

(7) other categories designated by federal law to organize and report the data so that state and local policy makers can understand the educational implications of changes in districts' demographic profiles over time as data are available.

Any report the commissioner disseminates containing summary data on student performance must integrate student performance and the demographic factors that strongly correlate with that performance.

EFFECTIVE DATE. This section is effective for the 2019-2020 school year and later.

Sec. 11. Minnesota Statutes 2016, section 120B.35, subdivision 3, is amended to read:

Subd. 3. **State growth target; other state measures.** (a)(1) The state's educational assessment system measuring individual students' educational growth is based on indicators of achievement growth that show an individual student's prior achievement. Indicators of achievement and prior achievement must be based on highly reliable statewide or districtwide assessments.

(2) For purposes of paragraphs (b), (c), and (d), the commissioner must analyze and report separate categories of information using the student categories identified under the federal Elementary and Secondary Education Act, as most recently reauthorized, and, in addition to "other" for each race and ethnicity, and the Karen community, ~~other student categories as determined by the total Minnesota population at or above the 1,000 person threshold based on the most recent decennial census, including ethnicity; race; refugee status~~ seven of the most populous Asian and Pacific Islander groups, three of the most populous Native groups, seven of the most populous Hispanic/Latino groups, and five of the most populous Black and African Heritage groups as determined by the total Minnesota population based on the most recent state demographer's report; English learners under section 124D.59; home language; free or reduced-price lunch; ~~immigrant~~; and all students enrolled in a Minnesota public school who are currently or were previously in foster care, except that such disaggregation and cross tabulation is not required if the number of students in a category is insufficient to yield statistically reliable information or the results would reveal personally identifiable information about an individual student.

(b) The commissioner, in consultation with a stakeholder group that includes assessment and evaluation directors, district staff, experts in culturally responsive teaching, and researchers, must implement a model that uses a value-added growth indicator and includes criteria for identifying schools and school districts that demonstrate medium and high growth under section 120B.299, subdivisions 8 and 9, and may recommend other value-added measures under section 120B.299, subdivision 3. The model may be used to advance educators' professional development and replicate programs that succeed in meeting students' diverse learning needs. Data on individual teachers generated under the model are personnel data under section 13.43. The model must allow users to:

(1) report student growth consistent with this paragraph; and

(2) for all student categories, report and compare aggregated and disaggregated state student growth and, under section 120B.11, subdivision 2, clause (2), student learning and outcome data using the student categories identified under the federal Elementary and Secondary Education Act, as most recently reauthorized, and other student categories under paragraph (a), clause (2).

The commissioner must report measures of student growth and, under section 120B.11, subdivision 2, clause (2), student learning and outcome data, consistent with this paragraph, including the English language development, academic progress, and oral academic development of English learners and their native language development if the native language is used as a language of instruction, and include data on all pupils enrolled in a Minnesota public school course or program who are currently or were previously counted as an English learner under section 124D.59.

(c) When reporting student performance under section 120B.36, subdivision 1, the commissioner annually, beginning July 1, 2011, must report two core measures indicating the extent to which current high school graduates are being prepared for postsecondary academic and career opportunities:

(1) a preparation measure indicating the number and percentage of high school graduates in the most recent school year who completed course work important to preparing them for postsecondary academic and career opportunities, consistent with the core academic subjects required for admission to Minnesota's public colleges and universities as determined by the Office of Higher Education under chapter 136A; and

(2) a rigorous coursework measure indicating the number and percentage of high school graduates in the most recent school year who successfully completed one or more college-level advanced placement, international baccalaureate, postsecondary enrollment options including concurrent enrollment, other rigorous courses of study under section 120B.021, subdivision 1a, or industry certification courses or programs.

When reporting the core measures under clauses (1) and (2), the commissioner must also analyze and report separate categories of information using the student categories identified under the federal Elementary and Secondary Education Act, as most recently reauthorized, and other student categories under paragraph (a), clause (2).

(d) When reporting student performance under section 120B.36, subdivision 1, the commissioner annually, beginning July 1, 2014, must report summary data on school safety and students' engagement and connection at school, consistent with the student categories identified under paragraph (a), clause (2). The summary data under this paragraph are separate from and must not be used for any purpose related to measuring or evaluating the performance of classroom teachers. The commissioner, in consultation with qualified experts on student engagement and connection and classroom teachers, must identify highly reliable variables that generate summary data under this paragraph. The summary data may be used at school, district, and state levels only. Any data on individuals received, collected, or created that are used to generate the summary data under this paragraph are nonpublic data under section 13.02, subdivision 9.

(e) For purposes of statewide educational accountability, the commissioner must identify and report measures that demonstrate the success of learning year program providers under sections 123A.05 and 124D.68, among other such providers, in improving students' graduation outcomes. The commissioner, beginning July 1, 2015, must annually report summary data on:

- (1) the four- and six-year graduation rates of students under this paragraph;
- (2) the percent of students under this paragraph whose progress and performance levels are meeting career and college readiness benchmarks under section 120B.30, subdivision 1; and
- (3) the success that learning year program providers experience in:
 - (i) identifying at-risk and off-track student populations by grade;
 - (ii) providing successful prevention and intervention strategies for at-risk students;
 - (iii) providing successful recuperative and recovery or reenrollment strategies for off-track students; and
 - (iv) improving the graduation outcomes of at-risk and off-track students.

The commissioner may include in the annual report summary data on other education providers serving a majority of students eligible to participate in a learning year program.

(f) The commissioner, in consultation with recognized experts with knowledge and experience in assessing the language proficiency and academic performance of all English learners enrolled in a Minnesota public school course or program who are currently or were previously counted as an English learner under section 124D.59, must identify and report appropriate and effective measures to improve current categories of language difficulty and assessments, and monitor and report data on students' English proficiency levels, program placement, and academic language development, including oral academic language.

(g) When reporting four- and six-year graduation rates, the commissioner or school district must disaggregate the data by student categories according to paragraph (a), clause (2).

(h) A school district must inform parents and guardians that volunteering information on student categories not required by the most recent reauthorization of the Elementary and Secondary Education Act is optional and will not violate the privacy of students or their families, parents, or guardians. The notice must state the purpose for collecting the student data.

EFFECTIVE DATE. This section is effective for the 2018-2019 school year and later for rollout sites under Minnesota Statutes, section 120B.31, subdivision 3a. This section is effective for the 2019-2020 school year and later for all other schools.

Sec. 12. Minnesota Statutes 2016, section 120B.36, subdivision 1, is amended to read:

Subdivision 1. **School performance reports and public reporting.** (a) The commissioner shall report student academic performance data under section 120B.35, subdivisions 2 and 3; the percentages of students showing low, medium, and high growth under section 120B.35, subdivision 3, paragraph (b); school safety and student engagement and connection under section 120B.35, subdivision 3, paragraph (d); rigorous coursework under section 120B.35, subdivision 3, paragraph (c); the percentage of students under section 120B.35, subdivision 3, paragraph (b), clause (2), whose progress and performance levels are meeting career and college readiness benchmarks under sections 120B.30, subdivision 1, and 120B.35, subdivision 3, paragraph (e); longitudinal data on the progress of eligible districts in reducing disparities in students' academic achievement and realizing racial and economic integration under section 124D.861; the acquisition of English, and where practicable, native language academic literacy, including oral academic language, and the academic progress of all English learners enrolled in a Minnesota public school course or program who are currently or were previously counted as English learners under section 124D.59; two separate student-to-teacher ratios that clearly indicate the definition of teacher consistent with sections 122A.06 and 122A.15 for purposes of determining these ratios; staff characteristics excluding salaries; student enrollment demographics; foster care status, including all students enrolled in a Minnesota public school course or program who are currently or were previously in foster care, student homelessness, and district mobility; and extracurricular activities. ~~The report also must indicate a school's status under applicable federal law.~~

(b) The school performance report for a school site and a school district must include school performance reporting information and calculate proficiency rates as required by the most recently reauthorized Elementary and Secondary Education Act.

(c) The commissioner shall develop, annually update, and post on the department Web site school performance reports consistent with paragraph (a) and section 120B.11.

~~(e)~~ (d) The commissioner must make available performance reports by the beginning of each school year.

~~(d)~~ (e) A school or district may appeal its results in a form and manner determined by the commissioner and consistent with federal law. The commissioner's decision to uphold or deny an appeal is final.

~~(e)~~ (f) School performance data are nonpublic data under section 13.02, subdivision 9, until the commissioner publicly releases the data. The commissioner shall annually post school performance reports to the department's public Web site no later than September 1, except that in years when the reports reflect new performance standards, the commissioner shall post the school performance reports no later than October 1.

EFFECTIVE DATE. This section is effective for the 2017-2018 school year and later.

Sec. 13. Minnesota Statutes 2016, section 124D.03, subdivision 5a, is amended to read:

Subd. 5a. **Lotteries.** If a school district has more applications than available seats at a specific grade level, it must hold an impartial lottery following the January 15 deadline to determine which students will receive seats. The district must give priority to enrolling:

(1) siblings of currently enrolled students;

(2) students whose applications are related to an approved integration and achievement plan, and;

(3) children of the school district's staff must receive priority in the lottery; and

(4) students residing in that part of a municipality, defined under section 469.1812, subdivision 3, where:

(i) the student's resident district does not operate a school building;

(ii) the nonresident district in which the student seeks to enroll operates one or more school buildings within the municipality; and

(iii) no other nonresident district operates a school building within the municipality.

The process for the school district lottery must be established in school district policy, approved by the school board, and posted on the school district's Web site.

EFFECTIVE DATE. This section is effective for lotteries conducted beginning July 1, 2017.

Sec. 14. Minnesota Statutes 2016, section 124D.09, subdivision 3, is amended to read:

Subd. 3. **Definitions.** For purposes of this section, the following terms have the meanings given to them.

(a) "Eligible institution" means a Minnesota public postsecondary institution, a private, nonprofit two-year trade and technical school granting associate degrees, an opportunities industrialization center accredited by the North Central Association of Colleges and Schools, or a private, residential, two-year or four-year, liberal arts, degree-granting college or university located in Minnesota.

(b) "Course" means a course or program.

(c) "Concurrent enrollment" means nonsectarian courses in which an eligible pupil under subdivision 5 or 5b enrolls to earn both secondary and postsecondary credits, are taught by a secondary teacher or a postsecondary faculty member, and are offered at a high school for which the district is eligible to receive concurrent enrollment program aid under section 124D.091.

Sec. 15. Minnesota Statutes 2016, section 124D.09, subdivision 5, is amended to read:

Subd. 5. **Authorization; notification.** Notwithstanding any other law to the contrary, an 11th or 12th grade pupil enrolled in a school or an American Indian-controlled tribal contract or grant school eligible for aid under section 124D.83, except a foreign exchange pupil enrolled in a district under a cultural exchange program, may apply to an eligible institution, as defined in subdivision 3, to enroll in nonsectarian courses offered by that postsecondary institution. ~~Notwithstanding any other law to the contrary, a 9th or 10th grade pupil enrolled in a district or an American Indian-controlled tribal contract or grant school eligible for aid under section 124D.83, except a foreign exchange pupil enrolled in a district under a cultural exchange program, may apply to enroll in~~

~~nonsectarian courses offered under subdivision 10, if (1) the school district and the eligible postsecondary institution providing the course agree to the student's enrollment or (2) the course is a world language course currently available to 11th and 12th grade students, and consistent with section 120B.022 governing world language standards, certificates, and seals. If an institution accepts a secondary pupil for enrollment under this section, the institution shall send written notice to the pupil, the pupil's school or school district, and the commissioner within ten days of acceptance. The notice must indicate the course and hours of enrollment of that pupil. If the pupil enrolls in a course for postsecondary credit, the institution must notify the pupil about payment in the customary manner used by the institution.~~

Sec. 16. Minnesota Statutes 2016, section 124D.09, is amended by adding a subdivision to read:

Subd. 5b. **Authorization; 9th or 10th grade pupil.** Notwithstanding any other law to the contrary, a 9th or 10th grade pupil enrolled in a district or an American Indian-controlled tribal contract or grant school eligible for aid under section 124D.83, except a foreign exchange pupil enrolled in a district under a cultural exchange program, may apply to enroll in nonsectarian courses offered under subdivision 10, if:

(1) the school district and the eligible postsecondary institution providing the course agree to the student's enrollment; or

(2) the course is a world language course currently available to 11th and 12th grade students, and consistent with section 120B.022 governing world language standards, certificates, and seals.

Sec. 17. Minnesota Statutes 2016, section 124D.09, subdivision 13, is amended to read:

Subd. 13. **Financial arrangements.** For a pupil enrolled in a course under this section, the department must make payments according to this subdivision for courses that were taken for secondary credit.

The department must not make payments to a school district or postsecondary institution for a course taken for postsecondary credit only. The department must not make payments to a postsecondary institution for a course from which a student officially withdraws during the first 14 days of the quarter or semester or who has been absent from the postsecondary institution for the first 15 consecutive school days of the quarter or semester and is not receiving instruction in the home or hospital.

A postsecondary institution shall receive the following:

(1) for an institution granting quarter credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the formula allowance minus \$425, multiplied by 1.2, and divided by 45; or

(2) for an institution granting semester credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the general revenue formula allowance minus \$425, multiplied by 1.2, and divided by 30.

The department must pay to each postsecondary institution 100 percent of the amount in clause (1) or (2) within ~~30~~ 45 days of receiving initial enrollment information each quarter or semester. If changes in enrollment occur during a quarter or semester, the change shall be reported by the postsecondary institution at the time the enrollment information for the succeeding quarter or semester is submitted. At any time the department notifies a postsecondary institution that an overpayment has been made, the institution shall promptly remit the amount due.

Sec. 18. Minnesota Statutes 2016, section 124D.095, subdivision 3, is amended to read:

Subd. 3. **Authorization; notice; limitations on enrollment.** (a) A student may apply for full-time enrollment in an approved online learning program under section 124D.03 or 124D.08 or chapter 124E. Notwithstanding sections 124D.03 and 124D.08 and chapter 124E, procedures for enrolling in supplemental online learning are as

provided in this subdivision. A student age 17 or younger must have the written consent of a parent or guardian to apply. No school district or charter school may prohibit a student from applying to enroll in online learning. In order to enroll in online learning, the student and the student's parents must submit an application to the online learning provider and identify the student's reason for enrolling. An online learning provider that accepts a student under this section must notify the student and the enrolling district in writing within ten days if the enrolling district is not the online learning provider. The student and the student's parent must notify the online learning provider of the student's intent to enroll in online learning within ten days of being accepted, at which time the student and the student's parent must sign a statement indicating that they have reviewed the online course or program and understand the expectations of enrolling in online learning. The online learning provider must use a form provided by the department to notify the enrolling district of the student's application to enroll in online learning.

(b) The supplemental online learning notice to the enrolling district when a student applies to the online learning provider will include the courses or program, credits to be awarded, and the start date of the online course or program. An online learning provider must make available the supplemental online course syllabus to the enrolling district. Within 15 days after the online learning provider makes information in this paragraph available to the enrolling district, the enrolling district must notify the online provider whether the student, the student's parent, and the enrolling district agree or disagree that the course meets the enrolling district's graduation requirements. A student may enroll in a supplemental online learning course up to the midpoint of the enrolling district's term. The enrolling district may waive this requirement for special circumstances and with the agreement of the online provider. An online learning course or program that meets or exceeds a graduation standard or the grade progression requirement of the enrolling district as described in the provider's online course syllabus meets the corresponding graduation requirements applicable to the student in the enrolling district. If the enrolling district does not agree that the course or program meets its graduation requirements, then:

(1) the enrolling district must make available an explanation of its decision to the student, the student's parent, and the online provider; and

(2) the online provider may make available a response to the enrolling district, showing how the course or program meets the graduation requirements of the enrolling district.

(c) An online learning provider must notify the commissioner that it is delivering online learning and report the number of online learning students it accepts and the online learning courses and programs it delivers.

(d) An online learning provider may limit enrollment if the provider's school board or board of directors adopts by resolution specific standards for accepting and rejecting students' applications. Limits to enrollment must not discriminate against any group under chapter 363A.

(e) An enrolling district may reduce an online learning student's regular classroom instructional membership in proportion to the student's membership in online learning courses.

(f) The online provider must report or make available information on an individual student's progress and accumulated credit to the student, the student's parent, and the enrolling district in a manner specified by the commissioner unless the enrolling district and the online provider agree to a different form of notice and notify the commissioner. The enrolling district must designate a contact person to help facilitate and monitor the student's academic progress and accumulated credits towards graduation.

Sec. 19. [124D.4535] INNOVATIVE DELIVERY OF CAREER AND TECHNICAL EDUCATION PROGRAMS; SHARING OF DISTRICT RESOURCES.

Subdivision 1. Establishment; requirements for participation. (a) A program is established to improve student, career and college readiness, and school outcomes by allowing groups of school districts to work together in partnership with local and regional postsecondary institutions and programs, community institutions, and other private, public, for-profit, and nonprofit workplace partners, to:

(1) provide innovative education programs and activities that integrate core academic and career and technical subjects in students' programs of study through coordinated secondary and postsecondary career and technical programs leading to an industry certification or other credential;

(2) provide embedded professional development for program participants;

(3) use performance assessments in authentic settings to measure students' technical skills and progress toward attaining an industry certification or other credential; and

(4) efficiently share district, institution, and workplace resources.

(b) To participate in this program to improve student, career and college readiness, and school outcomes, a group of two or more school districts must collaborate with school staff and project partners and receive formal school board approval to form a partnership. The partnership must develop a plan to provide challenging programmatic options for students under paragraph (a); create professional development opportunities for educators and other program participants; increase student engagement and connection and challenging learning opportunities for diverse populations of students that are focused on employability skills and technical, job-specific skills related to a specific career pathway; or demonstrate efficiencies in delivering financial and other services needed to realize plan goals and objectives. The plan must include:

(1) collaborative education goals and objectives;

(2) strategies and processes to implement those goals and objectives, including a budget process with periodic expenditure reviews;

(3) valid and reliable measures including performance assessments in authentic settings and progress toward attaining an industry certification or other credential, among other measures, to evaluate progress in realizing plan goals and objectives;

(4) an implementation timeline; and

(5) other applicable conditions, regulations, responsibilities, duties, provisions, fee schedules, and legal considerations needed to fully implement the plan.

A partnership may invite additional districts or other participants under paragraph (a) to join the partnership after notifying the commissioner.

(c) A partnership of interested districts must submit an application to the commissioner of education in the form and manner the commissioner determines, consistent with the requirements of this section. The application must contain the formal approval adopted by the school board in each district to participate in the plan.

(d) Notwithstanding any other law to the contrary, a participating school district under this section continues to: receive revenue and maintain its taxation authority; be organized and governed by an elected school board with general powers under section 123B.02; and be subject to employment agreements under chapter 122A, and section 179A.20; and district employees continue to remain employees of the employing school district.

(e) Participating districts must submit a biennial report by February 1 in each odd-numbered year to the education committees of the legislature and the commissioner of education that includes performance assessment, high school graduation, and career and technical certification data to show the success of the partnership in preparing diverse populations of students for careers and jobs.

Subd. 2. **Commissioner's role.** The commissioner of education must convene an advisory panel to advise the commissioner on applicants' qualifications to participate in this program. The commissioner must ensure an equitable geographical distribution of program participants to the extent practicable. The commissioner must select only those applicants that fully comply with the requirements in subdivision 1. The commissioner may terminate a program participant that fails to effectively implement the goals and objectives contained in its application and according to its stated timeline.

EFFECTIVE DATE. (a) This section is effective the day following final enactment and applies to those applications submitted after that date.

(b) Districts already approved for an innovation zone pilot project under Laws 2012, chapter 263, section 1, as amended by Laws 2014, chapter 312, article 15, section 24, may continue to operate.

Sec. 20. Minnesota Statutes 2016, section 124D.549, is amended to read:

124D.549 GENERAL EDUCATION DEVELOPMENT (GED) TESTS RULES; COMMISSIONER COMMISSIONER-SELECTED HIGH SCHOOL EQUIVALENCY TEST.

The commissioner may amend rules to reflect changes in the national minimum standard score for passing the general education development (GED) tests, in consultation with adult basic education stakeholders, must select a high school equivalency test. The commissioner may issue a high school equivalency diploma to a Minnesota resident 19 years of age or older who has not earned a high school diploma, who has not previously been issued a general education development (GED) test, and who has exceeded or achieved a minimum passing score on the equivalency test established by the publisher. The commissioner of education may waive the minimum age requirement if supportive evidence is provided by an employer or a recognized education or rehabilitation provider.

Sec. 21. Minnesota Statutes 2016, section 124D.55, is amended to read:

124D.55 GENERAL EDUCATION DEVELOPMENT (GED) COMMISSIONER-SELECTED HIGH SCHOOL EQUIVALENCY TEST FEES.

The commissioner shall pay 60 percent of the fee that is charged to an eligible individual for the full battery of general education development (GED) the commissioner-selected high school equivalency tests, but not more than \$40 for an eligible individual.

For fiscal year 2017 only, the commissioner shall pay 100 percent of the fee charged to an eligible individual for the full battery of general education development (GED) the commissioner-selected high school equivalency tests, but not more than the cost of one full battery of tests per year for any individual.

Sec. 22. Minnesota Statutes 2016, section 124E.03, subdivision 2, is amended to read:

Subd. 2. **Certain federal, state, and local requirements.** (a) A charter school shall meet all federal, state, and local health and safety requirements applicable to school districts.

(b) A school must comply with statewide accountability requirements governing standards and assessments in chapter 120B.

(c) A charter school must comply with the Minnesota Public School Fee Law, sections 123B.34 to 123B.39.

(d) A charter school is a district for the purposes of tort liability under chapter 466.

(e) A charter school must comply with the Pledge of Allegiance requirement under section 121A.11, subdivision 3.

(f) A charter school and charter school board of directors must comply with chapter 181 governing requirements for employment.

(g) A charter school must comply with continuing truant notification under section 260A.03.

(h) A charter school must develop and implement a teacher evaluation and peer review process under section 122A.40, subdivision 8, paragraph (b), clauses (2) to (13), and place students in classrooms in accordance with section 122A.40, subdivision 8, paragraph (d). The teacher evaluation process in this paragraph does not create any additional employment rights for teachers.

(i) A charter school must adopt a policy, plan, budget, and process, consistent with section 120B.11, to review curriculum, instruction, and student achievement and strive for the world's best workforce.

(j) A charter school is subject to and must comply with the Pupil Fair Dismissal Act, sections 121A.40 to 121A.56.

Sec. 23. Minnesota Statutes 2016, section 124E.11, is amended to read:

124E.11 ADMISSION REQUIREMENTS AND ENROLLMENT.

(a) A charter school, including its free preschool or prekindergarten program established under section 124E.06, subdivision 3, paragraph (b), may limit admission to:

(1) pupils within an age group or grade level;

(2) pupils who are eligible to participate in the graduation incentives program under section 124D.68; or

(3) residents of a specific geographic area in which the school is located when the majority of students served by the school are members of underserved populations.

(b) A charter school, including its free preschool or prekindergarten program established under section 124E.06, subdivision 3, paragraph (b), shall enroll an eligible pupil who submits a timely application, unless the number of applications exceeds the capacity of a program, class, grade level, or building. In this case, pupils must be accepted by lot. The charter school must develop and publish, including on its Web site, a lottery policy and process that it must use when accepting pupils by lot.

(c) A charter school shall give enrollment preference to a sibling of an enrolled pupil and to a foster child of that pupil's parents and may give preference for enrolling children of the school's staff before accepting other pupils by lot. A charter school that is located in Duluth township in St. Louis County and admits students in kindergarten through grade 6 must give enrollment preference to students residing within a five-mile radius of the school and to the siblings of enrolled children. A charter school may give enrollment preference to children currently enrolled in the school's free preschool or prekindergarten program under section 124E.06, subdivision 3, paragraph (a), who are eligible to enroll in kindergarten in the next school year.

(d) A person shall not be admitted to a charter school (1) as a kindergarten pupil, unless the pupil is at least five years of age on September 1 of the calendar year in which the school year for which the pupil seeks admission commences; or (2) as a first grade student, unless the pupil is at least six years of age on September 1 of the calendar year in which the school year for which the pupil seeks admission commences or has completed kindergarten; except that a charter school may establish and publish on its Web site a policy for admission of selected pupils at an earlier age, consistent with the enrollment process in paragraphs (b) and (c).

(e) Except as permitted in paragraph (d), a charter school, including its free preschool or prekindergarten program established under section 124E.06, subdivision 3, paragraph (b), may not limit admission to pupils on the basis of intellectual ability, measures of achievement or aptitude, or athletic ability and may not establish any criteria or requirements for admission that are inconsistent with this section.

(f) The charter school shall not distribute any services or goods of value to students, parents, or guardians as an inducement, term, or condition of enrolling a student in a charter school.

(g) Once a student is enrolled in the school, the student is considered enrolled in the school until the student formally withdraws or is expelled under the Pupil Fair Dismissal Act in sections 121A.40 to 121A.56. ~~A charter school is subject to and must comply with the Pupil Fair Dismissal Act, sections 121A.40 to 121A.56.~~

(h) A charter school with at least 90 percent of enrolled students who are eligible for special education services and have a primary disability of deaf or hard-of-hearing may enroll prekindergarten pupils with a disability under section 126C.05, subdivision 1, paragraph (a), and must comply with the federal Individuals with Disabilities Education Act under Code of Federal Regulations, title 34, section 300.324, subsection (2), clause (iv).

Sec. 24. Minnesota Statutes 2016, section 125A.08, is amended to read:

125A.08 INDIVIDUALIZED EDUCATION PROGRAMS.

(a) At the beginning of each school year, each school district shall have in effect, for each child with a disability, an individualized education program.

(b) As defined in this section, every district must ensure the following:

(1) all students with disabilities are provided the special instruction and services which are appropriate to their needs. Where the individualized education program team has determined appropriate goals and objectives based on the student's needs, including the extent to which the student can be included in the least restrictive environment, and where there are essentially equivalent and effective instruction, related services, or assistive technology devices available to meet the student's needs, cost to the district may be among the factors considered by the team in choosing how to provide the appropriate services, instruction, or devices that are to be made part of the student's individualized education program. The individualized education program team shall consider and may authorize services covered by medical assistance according to section 256B.0625, subdivision 26. Before a school district evaluation team makes a determination of other health disability under Minnesota Rules, part 3525.1335, subparts 1 and 2, item A, subitem (1), the evaluation team must seek written documentation of the student's medically diagnosed chronic or acute health condition signed by a licensed physician or a licensed health care provider acting within the scope of the provider's practice. The student's needs and the special education instruction and services to be provided must be agreed upon through the development of an individualized education program. The program must address the student's need to develop skills to live and work as independently as possible within the community. The individualized education program team must consider positive behavioral interventions, strategies, and supports that address behavior needs for children. During grade 9, the program must address the student's needs for transition from secondary services to postsecondary education and training, employment, community participation, recreation, and leisure and home living. In developing the program, districts must inform parents of the full range of transitional goals and related services that should be considered. The program must include a statement of the needed transition services, including a statement of the interagency responsibilities or linkages or both before secondary services are concluded. If the individualized education program meets the plan components in section 120B.125, the individualized education program satisfies the requirement and no additional transition plan is needed;

(2) children with a disability under age five and their families are provided special instruction and services appropriate to the child's level of functioning and needs;

(3) children with a disability and their parents or guardians are guaranteed procedural safeguards and the right to participate in decisions involving identification, assessment including assistive technology assessment, and educational placement of children with a disability;

(4) eligibility and needs of children with a disability are determined by an initial evaluation or reevaluation, which may be completed using existing data under United States Code, title 20, section 33, et seq.;

(5) to the maximum extent appropriate, children with a disability, including those in public or private institutions or other care facilities, are educated with children who are not disabled, and that special classes, separate schooling, or other removal of children with a disability from the regular educational environment occurs only when and to the extent that the nature or severity of the disability is such that education in regular classes with the use of supplementary services cannot be achieved satisfactorily;

(6) in accordance with recognized professional standards, testing and evaluation materials, and procedures used for the purposes of classification and placement of children with a disability are selected and administered so as not to be racially or culturally discriminatory; and

(7) the rights of the child are protected when the parents or guardians are not known or not available, or the child is a ward of the state.

(c) For all paraprofessionals employed to work in programs whose role in part is to provide direct support to students with disabilities, the school board in each district shall ensure that:

(1) before or beginning at the time of employment, each paraprofessional must develop sufficient knowledge and skills in emergency procedures, building orientation, roles and responsibilities, confidentiality, vulnerability, and reportability, among other things, to begin meeting the needs, especially disability-specific and behavioral needs, of the students with whom the paraprofessional works;

(2) annual training opportunities are required to enable the paraprofessional to continue to further develop the knowledge ~~and~~ skills, ~~and cultural competency, consistent with section 120B.30, subdivision 1, paragraph (q),~~ that are specific to the students with whom the paraprofessional works, including understanding disabilities, the unique and individual needs of each student according to the student's disability and how the disability affects the student's education and behavior, following lesson plans, and implementing follow-up instructional procedures and activities; and

(3) a districtwide process obligates each paraprofessional to work under the ongoing direction of a licensed teacher and, where appropriate and possible, the supervision of a school nurse.

(d) The school board must make available annual training opportunities to enable a special education teacher serving on an individualized education program team to further develop the knowledge, skills, and cultural competency necessary to appropriately serve students. For purposes of this section "cultural competency," means the ability and will to interact effectively with people of different cultures, native languages, and socioeconomic backgrounds.

EFFECTIVE DATE. This section is effective for the 2017-2018 school year and later.

Sec. 25. Minnesota Statutes 2016, section 126C.05, subdivision 8, is amended to read:

Subd. 8. **Average daily membership.** (a) Membership for pupils in grades kindergarten through 12 and for prekindergarten pupils with disabilities shall mean the number of pupils on the current roll of the school, counted from the date of entry until withdrawal. The date of withdrawal shall mean the day the pupil permanently leaves the school or the date it is officially known that the pupil has left or has been legally excused. However, a pupil, regardless of age, who has been absent from school for 15 consecutive school days during the regular school year or for five consecutive school days during summer school or intersession classes of flexible school year programs without receiving instruction in the home or hospital shall be dropped from the roll and classified as withdrawn. Nothing in this section shall be construed as waiving the compulsory attendance provisions cited in section 120A.22. Average daily membership equals the sum for all pupils of the number of days of the school year each pupil is enrolled in the district's schools divided by the number of days the schools are in session or are providing e-learning days due to inclement weather. Days of summer school or intersession classes of flexible school year programs are only included in the computation of membership for pupils with a disability not appropriately served primarily in the regular classroom. A student must not be counted as more than 1.2 pupils in average daily membership under this section. When the initial total average daily membership exceeds 1.2 for a pupil enrolled in more than one school district during the fiscal year, each district's average daily membership must be reduced proportionately.

(b) A student must not be counted as more than one pupil in average daily membership except for purposes of section 126C.10, subdivision 2a.

Sec. 26. Minnesota Statutes 2016, section 256J.08, subdivision 38, is amended to read:

Subd. 38. **Full-time student.** "Full-time student" means a person who is enrolled in a graded or ungraded primary, intermediate, secondary, ~~GED~~ commissioner of education-selected high school equivalency preparatory, trade, technical, vocational, or postsecondary school, and who meets the school's standard for full-time attendance.

Sec. 27. Minnesota Statutes 2016, section 256J.08, subdivision 39, is amended to read:

Subd. 39. ~~General educational development or GED~~ **Commissioner of education-selected high school equivalency.** ~~"General educational development" or "GED"~~ "Commissioner of education-selected high school equivalency" means the ~~general educational development~~ high school equivalency certification issued by the commissioner of education as an equivalent to a secondary school diploma under ~~Minnesota Rules, part 3500.3100, subpart 4~~ section 124D.549.

Sec. 28. **COMMISSIONER REPORT ON DYSLEXIA.**

(a) The commissioner of education must submit a report to the legislature on resources and administrative changes that would assist schools in addressing the needs of students with dyslexia and convergence insufficiency disorder. The report must identify the following:

(1) resources for school districts including screening tools and best practices for identifying students with dyslexia and convergence insufficiency disorder;

(2) intervention strategies and teaching approaches to help students with dyslexia to develop language skills, including reading and writing; and

(3) changes to Minnesota Rules, part 3525.1341, and other rules adopted by the Department of Education that would assist schools in identifying students with dyslexia and implement intervention strategies to meet the needs of students with dyslexia and convergence insufficiency disorder.

(b) The commissioner must submit the report to the education policy and finance committees of the legislature by February 15, 2018.

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

Sec. 29. **REVISOR'S INSTRUCTION.**

In Minnesota Statutes and Minnesota Rules, the revisor of statutes shall substitute the term "commissioner-selected high school equivalency" or similar term for "general education development," "GED," or similar terms for wherever the term refers to the tests or programs leading to a certification issued by the commissioner of education as an equivalency to a secondary diploma.

Sec. 30. **REPEALER.**

Minnesota Rules, part 3500.3100, subpart 4, is repealed.

ARTICLE 3
TEACHERS

Section 1. Minnesota Statutes 2016, section 122A.09, subdivision 4a, is amended to read:

Subd. 4a. **Teacher and administrator preparation and performance data; report.** (a) The Board of Teaching and the Board of School Administrators, in cooperation with the Minnesota Association of Colleges of Teacher Education and Minnesota colleges and universities offering board-adopted teacher or administrator preparation programs, annually must collect and report summary data on teacher and administrator preparation and performance outcomes, consistent with this subdivision. The Board of Teaching and the Board of School Administrators annually by June 1 must update and post the reported summary preparation and performance data on teachers and administrators from the preceding school years on a Web site hosted jointly by the boards.

(b) Publicly reported summary data on teacher preparation programs must include: student entrance requirements for each Board of Teaching-approved program, including grade point average for enrolling students in the preceding year; the average board-adopted skills examination or ACT or SAT scores of students entering the program in the preceding year; summary data on faculty qualifications, including at least the content areas of faculty undergraduate and graduate degrees and their years of experience either as kindergarten through grade 12 classroom teachers or school administrators; the average time resident and nonresident program graduates in the preceding year needed to complete the program; the current number and percent of students by program who graduated, received a standard Minnesota teaching license, and were hired to teach full time in their licensure field in a Minnesota district or school in the preceding year, disaggregated by race, except when such disaggregation would not yield statistically reliable results or would reveal personally identifiable information about an individual; the number of content area credits and other credits by undergraduate program that students in the preceding school year needed to complete to graduate; students' pass rates on skills and subject matter exams required for graduation in each program and licensure area in the preceding school year; survey results measuring student and graduate satisfaction with the program in the preceding school year, disaggregated by race, except when such disaggregation would not yield statistically reliable results or would reveal personally identifiable information about an individual; a standard measure of the satisfaction of school principals or supervising teachers with the student teachers assigned to a school or supervising teacher; and information under paragraphs (d) and (e). Program reporting must be consistent with subdivision 11.

(c) Publicly reported summary data on administrator preparation programs approved by the Board of School Administrators must include: summary data on faculty qualifications, including at least the content areas of faculty undergraduate and graduate degrees and their years of experience either as kindergarten through grade 12 classroom

teachers or school administrators; the average time program graduates in the preceding year needed to complete the program; the current number and percent of students who graduated, received a standard Minnesota administrator license, and were employed as an administrator in a Minnesota school district or school in the preceding year, disaggregated by race, except when such disaggregation would not yield statistically reliable results or would reveal personally identifiable information about an individual; the number of credits by graduate program that students in the preceding school year needed to complete to graduate; survey results measuring student, graduate, and employer satisfaction with the program in the preceding school year, disaggregated by race, except when such disaggregation would not yield statistically reliable results or would reveal personally identifiable information about an individual; and information under paragraphs (f) and (g). Program reporting must be consistent with section 122A.14, subdivision 10.

(d) School districts annually by October 1 must report to the Board of Teaching the following information for all teachers who finished the probationary period and accepted a continuing contract position with the district from September 1 of the previous year through August 31 of the current year: the effectiveness category or rating of the teacher on the summative evaluation under section 122A.40, subdivision 8, or 122A.41, subdivision 5; the licensure area in which the teacher primarily taught during the three-year evaluation cycle; and the teacher preparation program preparing the teacher in the teacher's primary areas of instruction and licensure.

(e) School districts annually by October 1 must report to the Board of Teaching the following information for all probationary teachers in the district who were released or whose contracts were not renewed from September 1 of the previous year through August 31 of the current year: the licensure areas in which the probationary teacher taught; and the teacher preparation program preparing the teacher in the teacher's primary areas of instruction and licensure.

(f) School districts annually by October 1 must report to the Board of School Administrators the following information for all school principals and assistant principals who finished the probationary period and accepted a continuing contract position with the district from September 1 of the previous year through August 31 of the current year: the effectiveness category or rating of the principal or assistant principal on the summative evaluation under section 123B.147, subdivision 3; and the principal preparation program providing instruction to the principal or assistant principal.

(g) School districts annually by October 1 must report to the Board of School Administrators all probationary school principals and assistant principals in the district who were released or whose contracts were not renewed from September 1 of the previous year through August 31 of the current year.

(h) Data that must be disaggregated by race under this section must be reported in the following categories:

(1) American Indian or Alaskan Native;

(2) Asian;

(3) Black or African American;

(4) Hispanic or Latino;

(5) Native Hawaiian or Other Pacific Islander;

(6) White; and

(7) two or more races.

Sec. 2. Minnesota Statutes 2016, section 122A.415, subdivision 4, is amended to read:

Subd. 4. **Basic alternative teacher compensation aid.** (a) The basic alternative teacher compensation aid for a school with a plan approved under section 122A.414, subdivision 2b, equals 65 percent of the alternative teacher compensation revenue under subdivision 1. The basic alternative teacher compensation aid for a charter school with a plan approved under section 122A.414, subdivisions 2a and 2b, equals \$260 times the number of pupils enrolled in the school on October 1 of the previous year, or on October 1 of the current year for a charter school in the first year of operation, times the ratio of the sum of the alternative teacher compensation aid and alternative teacher compensation levy for all participating school districts to the maximum alternative teacher compensation revenue for those districts under subdivision 1.

(b) Notwithstanding paragraph (a) and subdivision 1, the state total basic alternative teacher compensation aid entitlement must not exceed \$75,840,000 for fiscal year 2016 and \$88,118,000 for fiscal year 2017 and later. The commissioner must limit the amount of alternative teacher compensation aid approved under this section so as not to exceed these limits by not approving new participants or by prorating the aid among participating districts, intermediate school districts, school sites, and charter schools. The commissioner may also reallocate a portion of the allowable aid for the biennium from the second year to the first year to meet the needs of approved participants.

(c) Basic alternative teacher compensation aid for an intermediate district or other cooperative unit equals \$3,000 times the number of licensed teachers employed by the intermediate district or cooperative unit on October 1 of the previous school year.

Sec. 3. **[122A.417] ALTERNATIVE TEACHER COMPENSATION REVENUE FOR ST. CROIX RIVER EDUCATION DISTRICT.**

Notwithstanding section 122A.415, subdivision 4, paragraph (c), the St. Croix River Education District, No. 6009-61, is eligible to receive alternative teacher compensation revenue based on its staffing as of October 1 of the previous fiscal year as reported to the department in a manner determined by the commissioner. To qualify for alternative teacher compensation revenue, the St. Croix River Education District must meet all of the requirements of sections 122A.414 and 122A.415 that apply to cooperative units, must report its staffing as of October 1 of each year to the department in a manner determined by the commissioner, and must annually report to the department by November 30 its expenditures for the alternative teacher professional pay system consistent with the uniform financial accounting and reporting standards.

Sec. 4. **[122A.627] POSITIVE BEHAVIORAL INTERVENTIONS AND SUPPORTS.**

"Positive behavioral interventions and supports" or "PBIS" means an evidence-based framework for preventing problem behavior, providing instruction and support for positive and prosocial behaviors, and supporting social, emotional, and behavioral needs for all students. Schoolwide implementation of PBIS requires training, coaching, and evaluation for school staff to consistently implement the key components that make PBIS effective for all students, including:

(1) establishing, defining, teaching, and practicing three to five positively stated schoolwide behavioral expectations that are representative of the local community and cultures;

(2) developing and implementing a consistent system used by all staff to provide positive feedback and acknowledgment for students who display schoolwide behavioral expectations;

(3) developing and implementing a consistent and specialized support system for students who do not display behaviors representative of schoolwide positive expectations;

(4) developing a system to support decisions based on data related to student progress, effective implementation of behavioral practices, and screening for students requiring additional behavior supports;

(5) using a continuum of evidence-based interventions that is integrated and aligned to support academic and behavioral success for all students; and

(6) using a team-based approach to support effective implementation, monitor progress, and evaluate outcomes.

Consistent with section 120B.232, subdivision 1, character education curriculum and programs may be used to support implementation of the key components of PBIS.

ARTICLE 4 SPECIAL EDUCATION

Section 1. Minnesota Statutes 2016, section 125A.0941, is amended to read:

125A.0941 DEFINITIONS.

(a) The following terms have the meanings given them.

(b) "Emergency" means a situation where immediate intervention is needed to protect a child or other individual from physical injury. Emergency does not mean circumstances such as: a child who does not respond to a task or request and instead places his or her head on a desk or hides under a desk or table; a child who does not respond to a staff person's request unless failing to respond would result in physical injury to the child or other individual; or an emergency incident has already occurred and no threat of physical injury currently exists.

(c) "Physical holding" means physical intervention intended to hold a child immobile or limit a child's movement, where body contact is the only source of physical restraint, and where immobilization is used to effectively gain control of a child in order to protect a child or other individual from physical injury. The term physical holding does not mean physical contact that:

- (1) helps a child respond or complete a task;
- (2) assists a child without restricting the child's movement;
- (3) is needed to administer an authorized health-related service or procedure; or
- (4) is needed to physically escort a child when the child does not resist or the child's resistance is minimal.

(d) "Positive behavioral interventions and supports" means interventions and strategies to improve the school environment and teach children the skills to behave appropriately, including the key components under section 122A.627.

(e) "Prone restraint" means placing a child in a face down position.

(f) "Restrictive procedures" means the use of physical holding or seclusion in an emergency. Restrictive procedures must not be used to punish or otherwise discipline a child.

(g) "Seclusion" means confining a child alone in a room from which egress is barred. Egress may be barred by an adult locking or closing the door in the room or preventing the child from leaving the room. Removing a child from an activity to a location where the child cannot participate in or observe the activity is not seclusion.

Sec. 2. Minnesota Statutes 2016, section 125A.515, is amended to read:

125A.515 PLACEMENT OF STUDENTS; APPROVAL OF EDUCATION PROGRAM.

Subdivision 1. **Approval of on-site education programs.** The commissioner shall approve on-site education programs for placement of children and youth in residential facilities including detention centers, before being licensed by the Department of Human Services or the Department of Corrections. Education programs in these facilities shall conform to state and federal education laws including the Individuals with Disabilities Education Act (IDEA). This section applies only to placements in children's residential facilities licensed by the Department of Human Services or the Department of Corrections. For purposes of this section, "on-site education program" means the educational services provided directly on the grounds of the ~~care and treatment~~ children's residential facility to children and youth placed for care and treatment.

Subd. 3. **Responsibilities for providing education.** (a) The district in which the children's residential facility is located must provide education services, including special education if eligible, to all students placed in a facility.

(b) For education programs operated by the Department of Corrections, the providing district shall be the Department of Corrections. For students remanded to the commissioner of corrections, the providing and resident district shall be the Department of Corrections.

Subd. 3a. **Students without a disability from other states.** A school district is not required to provide education services under this section to a student who:

- (1) is not a resident of Minnesota;
- (2) does not have an individualized education program; and
- (3) does not have a tuition arrangement or agreement to pay the cost of education from the placing authority.

Subd. 4. **Education services required.** (a) Education services must be provided to a student beginning within three business days after the student enters the ~~care and treatment~~ children's residential facility. The first four days of the student's placement may be used to screen the student for educational and safety issues.

(b) If the student does not meet the eligibility criteria for special education, regular education services must be provided to that student.

Subd. 5. **Education programs for students placed in children's residential facilities.** (a) When a student is placed in a children's residential facility ~~approved~~ under this section that has an on-site education program, the providing district, upon notice from the ~~care and treatment~~ children's residential facility, must contact the resident district within one business day to determine if a student has been identified as having a disability, and to request at least the student's transcript, and for students with disabilities, the most recent individualized education program (IEP) and evaluation report, ~~and to determine if the student has been identified as a student with a disability~~. The resident district must send a facsimile copy to the providing district within two business days of receiving the request.

(b) If a student placed under this section has been identified as having a disability and has an individualized education program in the resident district:

- (1) the providing agency must conduct an individualized education program meeting to reach an agreement about continuing or modifying special education services in accordance with the current individualized education program goals and objectives and to determine if additional evaluations are necessary; and

(2) at least the following people shall receive written notice or documented phone call to be followed with written notice to attend the individualized education program meeting:

- (i) the person or agency placing the student;
- (ii) the resident district;
- (iii) the appropriate teachers and related services staff from the providing district;
- (iv) appropriate staff from the children's residential facility;
- (v) the parents or legal guardians of the student; and
- (vi) when appropriate, the student.

(c) For a student who has not been identified as a student with a disability, a screening must be conducted by the providing districts as soon as possible to determine the student's educational and behavioral needs and must include a review of the student's educational records.

Subd. 6. Exit report summarizing educational progress. If a student has been placed in a facility under this section for 15 or more business days, the providing district must prepare an exit report summarizing the regular education, special education, evaluation, educational progress, and service information and must send the report to the resident district and the next providing district if different, the parent or legal guardian, and any appropriate social service agency. For students with disabilities, this report must include the student's IEP.

Subd. 7. Minimum educational services required. When a student is placed in a children's residential facility ~~approved~~ under this section, at a minimum, the providing district is responsible for:

- (1) the education necessary, including summer school services, for a student who is not performing at grade level as indicated in the education record or IEP; and
- (2) a school day, of the same length as the school day of the providing district, unless the unique needs of the student, as documented through the IEP or education record in consultation with treatment providers, requires an alteration in the length of the school day.

Subd. 8. Placement, services, and due process. When a student's treatment and educational needs allow, education shall be provided in a regular educational setting. The determination of the amount and site of integrated services must be a joint decision between the student's parents or legal guardians and the treatment and education staff. When applicable, educational placement decisions must be made by the IEP team of the providing district. Educational services shall be provided in conformance with the least restrictive environment principle of the Individuals with Disabilities Education Act. The providing district and ~~care and treatment~~ children's residential facility shall cooperatively develop discipline and behavior management procedures to be used in emergency situations that comply with the Minnesota Pupil Fair Dismissal Act and other relevant state and federal laws and regulations.

Subd. 9. Reimbursement for education services. (a) Education services provided to students who have been placed under this section are reimbursable in accordance with special education and general education statutes.

(b) Indirect or consultative services provided in conjunction with regular education prereferral interventions and assessment provided to regular education students suspected of being disabled and who have demonstrated learning or behavioral problems in a screening are reimbursable with special education categorical aids.

(c) Regular education, including screening, provided to students with or without disabilities is not reimbursable with special education categorical aids.

Subd. 10. **Students unable to attend school but not covered under this section.** Students who are absent from, or predicted to be absent from, school for 15 consecutive or intermittent days, and placed at home or in facilities not licensed by the Departments of Corrections or Human Services are entitled to regular and special education services consistent with this section or Minnesota Rules, part 3525.2325. These students include students with and without disabilities who are home due to accident or illness, in a hospital or other medical facility, or in a day treatment center.

Sec. 3. **SPECIAL EDUCATION ASSISTIVE TECHNOLOGY STUDY.**

Subdivision 1. **Study.** The commissioner of education must examine the use of assistive technology in Minnesota school districts. The commissioner may examine financial data, survey school officials, and use other methods to collect data on the use of assistive technology by Minnesota's students. The commissioner must consult with the Minnesota Assistive Technology Advisory Council and other interested organizations to determine the scope and focus of the study.

Subd. 2. **Data reporting.** The commissioner must examine the federally required uniform financial accounting and reporting standards object codes, and if necessary, recommend changes to better capture school district spending on assistive technology. The commissioner must examine approaches to collecting additional student level assistive technology data through the electronic data reporting system.

Subd. 3. **Assistive technology manual.** The commissioner must examine the department's assistive technology manual, and determine whether to prepare a revised manual.

Subd. 4. **Report.** The commissioner of education must report to the education committees of the legislature by February 15, 2018, on the use of assistive technology by Minnesota's students and recommend statutory changes to encourage individualized education programs and individualized family services plans to incorporate a child-centered assistive technology plan.

ARTICLE 5 NUTRITION

Section 1. Minnesota Statutes 2016, section 123B.52, subdivision 1, is amended to read:

Subdivision 1. **Contracts.** A contract for work or labor, or for the purchase of furniture, fixtures, or other property, except books registered under the copyright laws and information systems software, or for the construction or repair of school houses, the estimated cost or value of which shall exceed that specified in section 471.345, subdivision 3, must not be made by the school board without first advertising for bids or proposals by two weeks' published notice in the official newspaper. This notice must state the time and place of receiving bids and contain a brief description of the subject matter.

Additional publication in the official newspaper or elsewhere may be made as the board shall deem necessary.

After taking into consideration conformity with the specifications, terms of delivery, and other conditions imposed in the call for bids, every such contract for which a call for bids has been issued must be awarded to the lowest responsible bidder, be duly executed in writing, and be otherwise conditioned as required by law. The person to whom the contract is awarded shall give a sufficient bond to the board for its faithful performance. Notwithstanding section 574.26 or any other law to the contrary, on a contract limited to the purchase of a finished tangible product, a board may require, at its discretion, a performance bond of a contractor in the amount the board

considers necessary. A record must be kept of all bids, with names of bidders and amount of bids, and with the successful bid indicated thereon. A bid containing an alteration or erasure of any price contained in the bid which is used in determining the lowest responsible bid must be rejected unless the alteration or erasure is corrected as provided in this section. An alteration or erasure may be crossed out and the correction thereof printed in ink or typewritten adjacent thereto and initialed in ink by the person signing the bid. In the case of identical low bids from two or more bidders, the board may, at its discretion, utilize negotiated procurement methods with the tied low bidders for that particular transaction, so long as the price paid does not exceed the low tied bid price. In the case where only a single bid is received, the board may, at its discretion, negotiate a mutually agreeable contract with the bidder so long as the price paid does not exceed the original bid. If no satisfactory bid is received, the board may readvertise. Standard requirement price contracts established for supplies or services to be purchased by the district must be established by competitive bids. Such standard requirement price contracts may contain escalation clauses and may provide for a negotiated price increase or decrease based upon a demonstrable industrywide or regional increase or decrease in the vendor's costs. Either party to the contract may request that the other party demonstrate such increase or decrease. The term of such contracts must not exceed two years with an option on the part of the district to renew for an additional two years, except as provided in subdivision 7. Contracts for the purchase of perishable food items, except milk for school lunches and vocational training programs, in any amount may be made by direct negotiation by obtaining two or more written quotations for the purchase or sale, when possible, without advertising for bids or otherwise complying with the requirements of this section or section 471.345, subdivision 3. All quotations obtained shall be kept on file for a period of at least one year after receipt.

Every contract made without compliance with the provisions of this section shall be void. Except in the case of the destruction of buildings or injury thereto, where the public interest would suffer by delay, contracts for repairs may be made without advertising for bids.

EFFECTIVE DATE. This section is effective for contracts entered into on or after July 1, 2017.

Sec. 2. Minnesota Statutes 2016, section 123B.52, is amended by adding a subdivision to read:

Subd. 7. Food service contracts. A contract between a school board and a food service management company that complies with Code of Federal Regulations, title 7, section 210.16, may be renewed annually after its initial term for not more than four additional years.

EFFECTIVE DATE. This section is effective for contracts entered into on or after July 1, 2017.

ARTICLE 6 LIBRARIES

Section 1. Minnesota Statutes 2016, section 134.31, subdivision 2, is amended to read:

Subd. 2. Advice and instruction. The Department of Education shall give advice and instruction to the managers of any public library or to any governing body maintaining a library or empowered to do so by law upon any matter pertaining to the organization, maintenance, or administration of libraries. The department may also give advice and instruction, as requested, to postsecondary educational institutions, school districts or charter schools, state agencies, governmental units, nonprofit organizations, or private entities. It shall assist, to the extent possible, in the establishment and organization of library service in those areas where adequate services do not exist, and may aid in improving previously established library services. The department shall also provide assistance to school districts, regional library systems, and member libraries interested in offering joint library services at a single location."

Delete the title and insert:

"A bill for an act relating to education; providing for prekindergarten through grade 12 education, including general education, education excellence, teachers, special education, nutrition, and libraries; amending Minnesota Statutes 2016, sections 120A.22, subdivision 9; 120A.41; 120B.021, subdivisions 1, 3; 120B.022, subdivision 1b; 120B.232, subdivision 1; 120B.30, subdivision 1; 120B.31, subdivision 4, by adding a subdivision; 120B.35, subdivision 3; 120B.36, subdivision 1; 121A.22, subdivision 2; 121A.221; 122A.09, subdivision 4a; 122A.415, subdivision 4; 123B.52, subdivision 1, by adding a subdivision; 123B.92, subdivision 1; 124D.03, subdivision 5a; 124D.09, subdivisions 3, 5, 13, by adding a subdivision; 124D.095, subdivision 3; 124D.549; 124D.55; 124E.03, subdivision 2; 124E.11; 125A.08; 125A.0941; 125A.515; 126C.05, subdivision 8; 127A.45, subdivision 10; 134.31, subdivision 2; 256J.08, subdivisions 38, 39; proposing coding for new law in Minnesota Statutes, chapters 120A; 122A; 124D; repealing Minnesota Statutes 2016, section 124D.73, subdivision 2; Minnesota Rules, part 3500.3100, subpart 4."

With the recommendation that when so amended 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. 1383, A bill for an act relating to human services; modifying the definition of traumatic brain injury for the state traumatic brain injury program; appropriating money for programs related to reducing fetal alcohol syndrome and related effects; amending Minnesota Statutes 2016, section 256B.093, subdivision 4.

Reported the same back with the following amendments:

Page 1, delete section 1 and insert:

"Section 1. Minnesota Statutes 2016, section 256B.093, subdivision 2, is amended to read:

Subd. 2. **Eligibility.** Persons eligible for traumatic brain injury administrative case management and consultation must be eligible medical assistance recipients who have traumatic or certain acquired brain injury, including a brain injury acquired by fetal alcohol exposure, and are at risk of institutionalization.

Sec. 2. **DIRECTION TO THE COMMISSIONER.**

The commissioner of human services shall seek to amend the brain injury waiver to include, as eligible persons, individuals with a fetal alcohol spectrum disorder diagnosis who are not being served under the developmental disability waiver."

Page 1, delete lines 20 and 21

Page 2, line 2, after "organization" insert "and, where available, a family home visiting program"

Renumber the sections in sequence

Amend the title as follows:

Page 1, delete lines 2 and 3 and insert "relating to human services; directing the commissioner of human services to seek an amendment to the brain injury waiver; modifying the definition of traumatic brain injury for the state traumatic brain injury program; appropriating money for programs related to reducing fetal alcohol syndrome and related effects;"

Page 1, line 4, delete "to reducing fetal alcohol syndrome and related effects;"

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.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 1393, A bill for an act relating to elections; changing the date of the state primary from August to June; changing the date of primary elections conducted by a political subdivision in certain circumstances; amending Minnesota Statutes 2016, sections 204B.14, subdivisions 2, 4; 204B.21, subdivision 1; 204D.03, subdivision 1; 204D.09, subdivision 1; 204D.28, subdivision 5; 205.065, subdivisions 1, 2; 205A.03, subdivisions 1, 2; 205A.06, subdivision 1a; 205A.11, subdivision 2a; 206.61, subdivision 5; 206.82, subdivision 2.

Reported the same back with the following amendments:

Page 3, delete section 2

Page 7, line 25, delete "14" and insert "13"

Renumber the sections in sequence

Correct the title numbers accordingly

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

The report was adopted.

Cornish from the Committee on Public Safety and Security Policy and Finance 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 following amendments:

Page 1, line 17, before "the" insert "offered by"

Page 1, line 18, delete "offers"

Page 2, line 5, delete "a fantasy game player in such fantasy game is" and insert "contest participants are" and before the semicolon, insert "using commercially reasonable technology"

Page 2, line 6, delete "provide fantasy game players with access to information on" and insert "make available on the operator's Web site information about resources relating to responsible play and where to seek assistance for"

Page 2, delete lines 7 to 32 and insert:

"(8) make available via Web site, telephone, or online chat means to allow individuals to irrevocably restrict their ability to enter a fantasy game on the operator's platform and select the length of time restrictions will be in place;

(9) disclose the number of entries a single fantasy game player may submit to each fantasy game with an entry fee and take reasonable steps to prevent a player from submitting more than the allowable number;

(10) provide fantasy game players with access to the fantasy game player's play history and account details, including all deposit amounts, withdrawal amounts, a summary of entry fees expended, and bonus or promotion information, including how much is left on any pending bonus or promotion and how much has been released to the fantasy game player;

(11) allow individuals to restrict themselves from entering a fantasy game upon request and provide reasonable steps to prevent the person from entering fantasy games offered by the fantasy game operator;

(12) segregate fantasy contest player funds, including amounts in live contests that have not been paid out yet, from operational funds or maintain a reserve that equals the amount of the value of players' account balances including amounts in live contests that have not been paid out yet, which reserve may not be used for operational activities. These segregated and reserve funds, including amounts in live contests that have not been paid out yet, may take the form of cash, cash equivalents, payment processor reserves, payment processor receivables, an irrevocable letter of credit, a bond, or a combination thereof, in the amount that must equal the total balances of the fantasy contest players' accounts;

(13) ensure any prize won by a registered player from participating in a fantasy sports contest is deposited into the registered player's account within 72 hours of winning the prize;

(14) ensure registered players can withdraw the funds maintained in their individual accounts, whether such accounts are open or closed, within five business days of the request being made, unless the game operator believes in good faith that the registered player engaged in either fraudulent conduct or other conduct that would put the game operator in violation of this section, in which case the licensed operator may decline to honor the request for withdrawal for a reasonable investigatory period until its investigation is resolved if it provides notice of the nature of the investigation to the registered player. If the investigation exceeds 60 days, the game operator shall notify the commissioner. For the purposes of this provision, a request for withdrawal will be considered honored if it is processed by the licensed operator but delayed by a payment processor, credit card issuer, or by the custodian of a financial account;

(15) prominently publish the rules governing each fantasy game with an entry fee;

(16) prohibit the use of third-party scripts that give players an unfair advantage over other players;

(17) develop and prominently publish procedures by which a person may file a complaint with the operator and the commissioner; and

(18) disclose the terms of all promotional offers at the time the offers are advertised, and provide full disclosures of limitations on the offer before a person provides financial consideration in exchange for the offer."

Page 3, line 15, delete "(9)" and insert "(12)"

Page 3, line 25, after "(d)" insert "Before a registration under this section is granted," and delete "check, of" and insert "investigation of the operator, including the operator's finances, as well as"

Page 3, line 26, delete "The commissioner may"

Page 3, delete lines 27 to 33

Page 4, delete lines 1 to 8 and insert "The commissioner may, or shall when required by law, require that fingerprints be taken and the commissioner may forward the fingerprints to the Federal Bureau of Investigation for a national criminal history check. The commissioner may charge an investigation fee of \$15 to cover the cost of the investigation. Of this fee, \$7 from each charge shall be deposited in the general fund. The commissioner may not issue or renew registration under this chapter and shall revoke a registration under this chapter if the applicant has ever been convicted of felony-level theft or fraud, or has filed a registration that contains a statement that is false, misleading, fraudulent, or a misrepresentation. Notwithstanding the foregoing, a game operator may continue to operate during the pendency of a background and financial investigation and until such time as a final determination whether the officer or stakeholder is disqualified."

Page 4, line 14, before the period, insert "by November 1 of each year"

Page 4, line 15, before "Penalty" insert "Civil"

Page 4, after line 19, insert:

"Subd. 6. **Criminal penalty.** It is unlawful for any person to accept an entry fee or cash equivalent from a Minnesota resident unless the person is an authorized game operator as defined in section 609.761, subdivision 7, clause (6). Any person who knowingly violates the provisions of this section shall be guilty of a gross misdemeanor and shall not be eligible for registration as a game operator by the commissioner for a period of five years. Notwithstanding the foregoing, a person offering fantasy sports for an entry fee or cash equivalent from a Minnesota resident prior to enactment of this act shall be allowed to continue to operate until the earlier of the date that they file a registration statement with the commissioner or 60 days after the commissioner makes a form suitable for registration available to the public."

Page 4, line 20, delete "6" and insert "7"

Page 4, after line 24, insert:

"**EFFECTIVE DATE.** This section is effective August 1, 2017, and applies to crimes committed on or after that date."

Page 5, line 29, after the first "fantasy" insert "sports" and after the second "fantasy" insert "sports" and after "simulated" insert "sports"

Page 6, line 14, delete "a bona fide contest for the"

Page 6, delete line 15

Page 6, line 16, delete "of" and insert "not a bet or a lottery within the meaning of" and before the period, insert ", if it is conducted under this chapter"

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

The report was adopted.

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

H. F. No. 1451, A bill for an act relating to state lands; modifying requirements for exchanging road easements and for leasing forest lands; deleting from state forests; providing for public or private sale of certain consolidated conservation land; amending Minnesota Statutes 2016, sections 84.633, subdivision 2; 89.17.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2016, section 84.633, subdivision 2, is amended to read:

Subd. 2. **Substantially equal acres.** The acres covered by the state easement conveyed by the commissioner must be substantially equal to the acres covered by the easement being received by the commissioner. For purposes of this section, "substantially equal" means that the acres do not differ by more than 20 percent. The commissioner's finding of substantially equal acres is in lieu of an appraisal or other determination of value of the lands. A state easement may be exchanged for an easement that has more than substantially equal acres if the other party to the exchange waives payment for the difference.

Sec. 2. Minnesota Statutes 2016, section 89.17, is amended to read:

89.17 LEASES AND PERMITS.

(a) Notwithstanding the permit procedures of chapter 90, the commissioner ~~shall have power to~~ may grant and execute, in the name of the state, leases and permits for the use of any forest lands under the authority of the commissioner for any purpose ~~which that~~ in the commissioner's opinion is not inconsistent with the maintenance and management of the forest lands, on forestry principles for timber production. Every such lease or permit ~~shall be~~ is revocable at the discretion of the commissioner at any time subject to such conditions as may be agreed on in the lease. The approval of the commissioner of administration ~~shall is~~ is not ~~be~~ required upon any such lease or permit. No such lease or permit for a period exceeding 21 years shall be granted except with the approval of the Executive Council.

(b) Public access to the leased land for outdoor recreation ~~shall be~~ is the same as access would be under state management.

(c) Notwithstanding section 16A.125, subdivision 5, after deducting the reasonable costs incurred for preparing and issuing the lease, all remaining proceeds from ~~the~~ leasing of school trust land and university land for roads on forest lands must be deposited into the respective permanent fund for the lands.

(d) The commissioner may require a performance bond for removing any improvements or personal property left on the leased premises by the lessee upon termination or cancellation of the lease.

Sec. 3. Laws 2011, chapter 3, section 13, is amended to read:

Sec. 13. PRIVATE SALE OF SURPLUS STATE LAND; CARLTON COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 94.09 and 94.10, the commissioner of natural resources may sell by private sale ~~to a political subdivision~~ the surplus land that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Carlton County and is described as: the Northeast Quarter of the Northwest Quarter of the Southeast Quarter, except state trunk highway right-of-way, Section 26, Township 49 North, Range 17 West, containing 9.324 acres, more or less.

(d) The Department of Natural Resources has determined that the land is not needed for natural resource purposes.

Sec. 4. DELETIONS FROM STATE FORESTS.

[89.021][Subd. 13.] Cloquet Valley State Forest. The following area is deleted from the Cloquet Valley State Forest: Sections 1 and 12, Township 55 North, Range 18 West, St. Louis County.

Sec. 5. PUBLIC SALE OF TAX-FORFEITED LANDS BORDERING PUBLIC WATER; BELTRAMI COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Beltrami County may sell the tax-forfeited lands bordering public water that are described in paragraph (c) under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyances must be in a form approved by the attorney general. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy.

(c) The lands to be sold are located in Beltrami County and are described as:

(1) the East 462 feet of Lot 2, Section 22, Township 146, Range 30 West (parcel number 08.00213.00);

(2) .20 acres of Lot 1, Section 21, Township 148 North, Range 32 West (parcel number 34.00212.00);

(3) that part of Lot 1 lying northerly of relocated County State-Aid Highway 22 and easterly of the following described line: commencing at a point on the north line of Lot 1 200 feet West of meander corner 57, which is the point of beginning of said line; thence running southerly at a right angle to the north line of said lot to the northerly boundary line of relocated County State-Aid Highway 22, less the North 450 feet thereof, Section 33, Township 148 North, Range 33 West (parcel number 47.00586.00); and

(4) Lot 3, Section 26, Township 152 North, Range 30 West (parcel number 83.00006.00).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 6. PUBLIC SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; BIG STONE COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 92.45, the commissioner of natural resources may sell by public sale the surplus land bordering public water that is described in paragraph (c).

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Big Stone County and is described as: Lot A of Lot Two, Block One, Mikkelson Subdivision, located within Government Lot 2, Section 10, Township 122 North, Range 47 West, according to the plat on file in the Office of the County Recorder, Big Stone County, in Book 5 of Plats, page 75, containing 2.5 acres, more or less.

(d) The land borders on Big Stone Lake. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land were returned to private ownership.

Sec. 7. PUBLIC SALE OF TAX-FORFEITED LANDS BORDERING PUBLIC WATER; BLUE EARTH COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Blue Earth County may sell the tax-forfeited lands bordering public water that are described in paragraph (c) under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyances must be in a form approved by the attorney general. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy.

(c) The lands to be sold are located in Blue Earth County and are described as:

(1) Government Lot 4 West of river and meandered river land, Section 36, Township 109 North, Range 27 West (parcel identification number R40.03.36.200.009);

(2) the West 5.71 acres of the North 34.46 acres, excluding 1.36 acres in the northeast corner and the West 100 feet of the South 26.2 acres of Lot 6, Section 23, Township 108 North, Range 27 West (parcel identification number R43.08.23.326.004);

(3) the East Half of old riverbed lying westerly of and adjacent to Government Lots 5 and 6, Section 23, Township 108 North, Range 27 West, 3.71 acres (parcel identification number R43.08.23.326.009);

(4) the West Half of old riverbed lying easterly of and adjacent to Government Lots 3 and 4, Section 23, Township 108 North, Range 27 West, 4.74 acres (parcel identification number R50.08.23.326.008); and

(5) that part of Government Lot 5 lying East of the easterly line of the 'old' river channel and West of the westerly line of the current river channel described as follows: beginning at a point where an iron stake is now situated in the ground, 736.2 feet North and 600 feet West of the southeast corner of Section 23, Township 108 North, Range 27 West; thence going in a westerly direction to the 'old' Blue Earth River; thence following 'old' Blue Earth River in a northerly direction to the north line of the South Half of the South Half of said Section 23; thence in an easterly direction along said line to a point 600 feet West of the east line of said Section 23; thence southerly to the point of beginning, containing about 32.31 acres of land, more or less (parcel identification number R43.08.23.326.005).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 8. PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; CARLTON COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Carlton County may sell the tax-forfeited land described in paragraph (c) by public sale under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general for not less than the appraised value of the land. The attorney general may make changes to the legal description to correct errors and ensure accuracy.

(c) The lands to be sold are located in Carlton County and are described as:

(1) PID number 45-058-3840;

(2) PID number 72-090-4970;

(3) PID number 72-090-5080;

(4) PID number 72-090-5110; and

(5) PID number 84-020-0410.

(d) The county has determined that the county's land management interests would be best served if the lands were returned to private ownership.

Sec. 9. PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; CARLTON COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Carlton County may sell the tax-forfeited land described in paragraph (c) by public sale under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general for not less than the appraised value of the land. The attorney general may make changes to the legal description to correct errors and ensure accuracy. Before each sale, the commissioner of revenue must grant a permanent conservation easement according to Minnesota Statutes, section 282.37. The easements must be 75 feet in width on each side of the designated trout stream, to provide riparian protection and angler access. The easement must exclude any existing road right-of-way.

(c) The lands to be sold are located in Carlton County and are described as:

(1) PID number 78-020-2150; and

(2) PID number 78-020-2160.

(d) The county has determined that the county's land management interests would be best served if the lands were returned to private ownership.

Sec. 10. **PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; CASS COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Cass County may sell the tax-forfeited land bordering public water that is described in paragraph (c) under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyances must be in a form approved by the attorney general. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy.

(c) The land to be sold is located in Cass County and is described as:

(1) part of Lot 9, Block 2, and part of Government Lot 3, Section 29, Township 138 North, Range 29 West (parcel identification number 86-337-0220);

(2) all that part of Government Lot 3, Section 8, Township 137 North, Range 29 West, lying southwesterly of the railway right-of-way, except that part of Government Lot 3, Section 8, Township 137 North, Range 29 West, described as follows: commencing at the northeast corner of Government Lot 4, said Section 8; thence North 89 degrees 46 minutes 27 seconds West 1,698.14 feet along the north line of Government Lot 4, Section 8, Township 137 North, Range 29 West (parcel identification number 50-008-1302); and

(3) that part of the Southeast Quarter of the Northwest Quarter, Section 17, Township 133, Range 30, described as follows: beginning at the southeast corner of the Southeast Quarter of the Northwest Quarter; thence North along the east line of said 40 a distance of 815 feet; thence North 87 degrees, 30 minutes West a distance of 740 feet; thence South a distance of 783.7 feet to the south line of the Southeast Quarter of the Northwest Quarter; thence South 89 degrees, 21 minutes East a distance of 740 feet to the point of beginning, containing 13.59 acres more or less and less the right-of-way for the public road and for the state highway.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 11. **PRIVATE SALE OF TAX-FORFEITED LAND; CASS COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, Cass County may sell by private sale the tax-forfeited land described in paragraph (c) for less than market value.

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in Cass County and is described as: the Northeast Quarter of the Northwest Quarter, less the Northeast Quarter, Section 12, Township 140 North, Range 27 West (parcel identification number 44-112-2102).

(d) The county has determined that the county's land management interests would best be served if the land was sold to the Minnesota Pollution Control Agency, which has jurisdiction over the closed landfill located on the parcel.

Sec. 12. **CONVEYANCE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; CHISAGO COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Chisago County may convey the tax-forfeited land described in paragraph (c) to the city of Rush City for no consideration, under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general and provide that the land reverts to the state if the city of Rush City stops using the land for the public purpose described in paragraph (d). The attorney general may make changes to the legal description to correct errors and ensure accuracy.

(c) The land to be conveyed is located in Chisago County and is described as: that part of the South Half of the Northeast Quarter described as follows: beginning at the point 30 feet East of the southeast corner of Lot 12, Block 26, of the recorded plat of village of Rush City; thence South to the center of Rush Creek; thence southeasterly and southwesterly down center of creek to a point directly South of the east line of Lot 5, Block 25, of the recorded plat of village of Rush City; thence North to the center line of the railroad right-of-way; thence southwesterly along center line of right-of-way to the east line of Avenue E; thence South on the east line thereof to a point directly East of the point of beginning; thence West to the point of beginning (parcel identification number 17.00490.00).

(d) The county has determined that the land is needed by the city of Rush City for a public park.

Sec. 13. CONVEYANCE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; CHISAGO COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Chisago County may convey the tax-forfeited land described in paragraph (c) to the city of Harris for no consideration, under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general and provide that the land reverts to the state if the city of Harris stops using the land for the public purpose described in paragraph (d). The attorney general may make changes to the legal description to correct errors and ensure accuracy.

(c) The land to be conveyed is located in Chisago County and is described as: Block 5 of Harris except the North 150 feet thereof (parcel identification number 14.00342.00).

(d) The county has determined that the land is needed by the city of Harris for any or all of the following: a public park, public trails, or a public parking lot.

Sec. 14. CONVEYANCE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; GOODHUE COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Goodhue County may convey to Goodhue County for no consideration the tax-forfeited land bordering public water that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general and provide that the land reverts to the state if Goodhue County stops using the land for the public purpose described in paragraph (d). The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be conveyed is located in Goodhue County and is described as: the West 4 chains and 78 links of the North 33 chains of the Southwest Quarter of Section 7, Township 109 North, Range 18 West, also described as Lot 11 of Auditor's Subdivision of the Southwest Quarter of said Section 7, except all that part of said tract which lies South of the south bank of the Zumbro River (parcel number 36.150.0090).

(d) The county has determined that the land is needed for a county park.

Sec. 15. **PRIVATE SALE OF TAX-FORFEITED LANDS BORDERING PUBLIC WATER; HENNEPIN COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Hennepin County may sell by private sale the tax-forfeited lands bordering public water that are described in paragraph (c) under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyances must be in a form approved by the attorney general. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy.

(c) The lands to be sold are located in Hennepin County and are described as: Outlot 2, Paradise Valley, subject to a railroad right-of-way over the West Half of the Southwest Quarter, Section 4, Township 116, Range 22 (parcel identification number 04-116-22 32 0031).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 16. **PRIVATE SALE OF TAX-FORFEITED LAND; ITASCA COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, Itasca County may sell by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyances must be in a form approved by the attorney general. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy.

(c) The land to be sold is located in Itasca County and is described as: that part of Government Lot 1, Section 30, Township 60 North, Range 24 West, commencing at the northwest corner of said Government Lot 1; thence on an assumed bearing of South 02 degrees 25 minutes 17 seconds West, along the west line of said Government Lot 1, a distance of 270.00 feet to the actual point of beginning of the tract of land herein described; thence continuing South 02 degrees 25 minutes 17 seconds West, along last described west line, a distance of 353.00 feet; thence North 57 degrees 27 minutes 46 seconds East a distance of 68.64 feet; thence North 67 degrees 47 minutes 47 seconds East a distance of 131.59 feet; thence North 67 degrees 07 minutes 23 seconds East a distance of 261.19 feet; thence North 53 degrees 05 minutes 42 seconds East a distance of 174.36 feet; thence North 44 degrees 56 minutes 54 seconds East a distance of 101.85 feet to the intersection with a line bearing North 88 degrees 51 minutes 33 seconds East from said point of beginning; thence South 88 degrees 51 minutes 33 seconds West a distance of 616.93 feet to said point of beginning.

(d) The county has determined that the county's land management interests would best be served if the land was returned to private ownership.

Sec. 17. **PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; KANDIYOHI COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Kandiyohi County may sell the tax-forfeited land described in paragraph (c) under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyances must be in a form approved by the attorney general for not less than the appraised value of the land. The attorney general may make changes to the legal descriptions to correct errors and ensure accuracy.

(c) The lands to be sold are located in Kandiyohi County and are described as:

(1) PID number 17-026-0120; and

(2) PID number 23-005-0520.

(d) The county has determined that the county's land management interests would be best served if the lands were returned to private ownership.

Sec. 18. PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; LAKE COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Lake County may sell the tax-forfeited land described in paragraph (c) by public sale under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyances must be in a form approved by the attorney general for not less than the appraised value of the land. The attorney general may make changes to the legal descriptions to correct errors and ensure accuracy.

(c) The lands to be sold are located in Lake County and are described as:

(1) PID number 25-5711-20790;

(2) PID number 26-5700-35850; and

(3) PID number 26-5700-35910.

(d) The county has determined that the county's land management interests would be best served if the lands were returned to private ownership.

Sec. 19. PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; LAKE COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Lake County may sell the tax-forfeited land described in paragraph (c) by public sale under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyances must be in a form approved by the attorney general for not less than the appraised value of the land. The attorney general may make changes to the legal descriptions to correct errors and ensure accuracy. Before each sale, the commissioner of revenue must grant a permanent conservation easement according to Minnesota Statutes, section 282.37. The easements must be 75 feet in width on each side of the designated trout stream, excluding existing roads and trails, to provide riparian protection and angler access.

(c) The lands to be sold are located in Lake County and are described as:

(1) PID number 25-5711-29130;

(2) PID number 25-5711-29610;

(3) PID number 26-5607-03070;

(4) PID number 27-5707-33250;

(5) PID number 29-5410-30610; and

(6) PID number 29-5410-35070.

(d) The county has determined that the county's land management interests would be best served if the lands were returned to private ownership.

Sec. 20. PRIVATE SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; LAKE COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Lake County may sell the tax-forfeited land described in paragraph (c) by private sale under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general for not less than the appraised value of the land. The attorney general may make changes to the legal description to correct errors and ensure accuracy.

(c) The land to be sold is located in Lake County and is described as: the South Half of the South Half of the Northwest Quarter of the Northeast Quarter, Section 6, Township 53, Range 11.

(d) The county has determined that the county's land management interests would be best served if the lands were returned to private ownership.

Sec. 21. PUBLIC OR PRIVATE SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; PINE COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Pine County may sell the tax-forfeited land described in paragraph (c) by public or private sale under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general for not less than the appraised value of the land. The attorney general may make changes to the legal description to correct errors and ensure accuracy. Prior to the sale of the land described in paragraph (c), clause (3), the commissioner of revenue shall grant a permanent conservation easement according to Minnesota Statutes, section 282.37, to provide for a 75-foot-wide easement from the centerline on each side of Crooked Creek and from the centerline of each side of Bang's Brook for riparian protection, angler access, and future restoration work.

(c) The lands to be sold are located in Pine County and are described as:

(1) that part of the Northeast Quarter of the Northeast Quarter lying northwesterly of State Highway 23 and described as follows: beginning at the northwest corner of the Northeast Quarter of the Northeast Quarter; thence East along section line 417 feet to the point of beginning; thence South 470 feet; thence East to westerly right-of-way of highway; thence northeasterly along westerly right-of-way of State Highway 23 470 feet to the north section line of Section 8; thence West along section line 500 feet to the point of beginning. Section 8, Township 45, Range 17 (PIN 21.0188.001);

(2) that part of the Northwest Quarter of the Northeast Quarter described as follows: commencing at the northeast corner of said Northwest Quarter of Northeast Quarter; thence North 89 degrees 42 minutes West (assumed bearing) along the north line of said Northwest Quarter of Northeast Quarter, a distance of 200.00 feet to the actual point of beginning; thence continue North 89 degrees 42 minutes West along said north line, a distance of 465.00 feet; thence South 00 degrees 31 minutes 30 seconds East, a distance of 468.43 feet; thence South 89 degrees

42 minutes East, a distance of 465.00 feet; thence North 00 degrees 31 minutes 30 seconds West, a distance of 468.43 feet to the point of beginning. Subject to the right-of-way of Pine County Highway Number 24 over the North 33 feet thereof. Section 5, Township 41, Range 17 (PIN 23.0097.002);

(3) the South 100 feet of the Southwest Quarter of the Southwest Quarter, Section 20, Township 41, Range 17 (PIN 23.0221.000);

(4) the West 580 feet of the Northwest Quarter of the Northwest Quarter lying North of the centerline of County Highway 7, subject to a nonexclusive easement for ingress and egress to the Snake River for the plat of West Shoreview 1st Addition, less Lots 1, 2, 4, and 5, Block 1, Section 6, Township 38, Range 21 (PIN 26.0208.000); and

(5) the South 467 feet of the West 467 feet of the Southeast Quarter of the Southeast Quarter, Section 4, Township 39, Range 22 (PIN 28.0545.000).

(d) The county has determined that the county's land management interests would be best served if the lands were returned to private ownership.

Sec. 22. **PUBLIC SALE OF TAX-FORFEITED LANDS BORDERING PUBLIC WATER; POLK COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Polk County may sell the tax-forfeited lands bordering public water that are described in paragraph (c) under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyances must be in a form approved by the attorney general. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy.

(c) The land to be sold is located in Polk County and is described as:

(1) Lots 1, 2, 3, and 4, subject to railway easement, Block 54, Carman Townsite, city of Crookston (parcel number 82.02352.00);

(2) Lots 5 and 6, Block 54, Carman Townsite, city of Crookston (parcel number 82.02352.01);

(3) the North 7.30 acres of the East 13.60 acres of Lot 3, Section 26, Township 150, Range 48 (parcel number 24.00170.00);

(4) Lot 5, Block 2, Northern Lights Addition, city of Erskine (parcel number 45.00504.00); and

(5) part of Government Lot 9, Section 36, Township 150, Range 47 (parcel number 82.00129.00).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 23. **CONVEYANCE OF LAND; REDWOOD COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 16A.695 and 16B.281 to 16B.298, or any other law to the contrary, the commissioner of administration may convey to the Lower Sioux Indian Community in the state of Minnesota for no consideration the surplus land that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be conveyed is located in Redwood County and is described as:

(1) that part of the Northeast Quarter of the Northwest Quarter of Section 8, Township 112, Range 34, Redwood County, Minnesota, described as follows: beginning at the northeast corner of said Northeast Quarter of the Northwest Quarter; thence on an assumed bearing of South 00 degrees 20 minutes 07 seconds East along the east line of said Northeast Quarter of the Northwest Quarter, a distance of 569.40 feet; thence on a bearing of South 89 degrees 40 minutes 12 seconds West, 623.99 feet; thence on a bearing of South 00 degrees 19 minutes 48 seconds East, 28.75 feet; thence on a bearing of North 89 degrees 40 minutes 12 seconds East, 456.28 feet; thence on a bearing of South 26 degrees 08 minutes 59 seconds West, 640.67 feet to the centerline of County State-Aid Highway 2; thence northwesterly 901.55 feet along last said centerline, along a nontangent curve concave to the southwest, having a radius of 4,540.70 feet, a central angle of 11 degrees 22 minutes 34 seconds and a chord bearing and distance of North 75 degrees 14 minutes 49 seconds West, 900.07 feet to its intersection with the west line of said Northeast Quarter of the Northwest Quarter; thence on a bearing of North 00 degrees 10 minutes 02 seconds West along last said line, 941.91 feet to the northwest corner of said Northeast Quarter of the Northwest Quarter; thence on a bearing of North 89 degrees 51 minutes 56 seconds East along the north line of said Northeast Quarter of the Northwest Quarter, a distance of 1,319.72 feet to the point of beginning. Subject to easements of record. Subject to the rights of the public in County State-Aid Highway 2;

(2) that part of the Northwest Quarter of the Northwest Quarter of Section 8, Township 112, Range 34, Redwood County, Minnesota, lying south of the following described line: commencing at the northwest corner of said Section 8; thence on an assumed bearing of South 00 degrees 00 minutes 00 seconds East along the west line of said Section 8, a distance of 696.45 feet to the centerline of County State-Aid Highway 2, said point being the point of beginning of the following described line; thence on a bearing of South 62 degrees 28 minutes 55 seconds East along last said centerline, 25.95 feet; thence southeasterly 571.04 feet along last said centerline, along a tangent curve concave to the northeast, having a radius of 1,432.4 feet and a central angle of 22 degrees 50 minutes 30 seconds; thence on a bearing of South 00 degrees 00 minutes 00 seconds East, nontangent to last said curve, 123.98 feet; thence on a bearing of North 89 degrees 54 minutes 50 seconds East, 729.36 feet to the east line of said Northwest Quarter of the Northwest Quarter and said line there terminating; and

(3) Government Lots 5 and 6, Section 5, Township 112 North, Range 34 West.

(d) The Minnesota Historical Society has determined that the state's land management interests and interpretive program interests would best be served if portions of the Lower Sioux Agency Historic Site were conveyed to the Lower Sioux Indian Community in the state of Minnesota to operate as a historic site open to the public.

Sec. 24. PUBLIC OR PRIVATE SALE OF CONSOLIDATED CONSERVATION LAND BORDERING PUBLIC WATER; ROSEAU COUNTY.

(a) Notwithstanding the classification and public sale provisions of Minnesota Statutes, chapters 84A and 282, and notwithstanding Minnesota Statutes, section 92.45, Roseau County may sell by public or private sale the consolidated conservation lands that are described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy. The consideration for the conveyance must be for no less than the survey costs and appraised value of the land and timber. Proceeds must be disposed of according to Minnesota Statutes, chapter 84A.

(c) The lands that may be sold are located in Roseau County and are described as:

(1) the Northwest Quarter of the Southwest Quarter, Section 34, Township 162 North, Range 35 West, containing 40 acres, more or less;

(2) that part of Government Lot 1 south of railroad, Section 4, Township 162 North, Range 36 West, containing one acre, more or less;

(3) the Northwest Quarter of the Northeast Quarter, Section 21, Township 162 North, Range 36 West, containing 40 acres, more or less;

(4) the Southeast Quarter of the Northeast Quarter, Section 28, Township 162 North, Range 36 West, containing 40 acres, more or less;

(5) the Southeast Quarter of the Southwest Quarter, the Northwest Quarter of the Southeast Quarter, and the Southwest Quarter of the Southeast Quarter, Section 2, Township 163 North, Range 37 West, containing 120 acres, more or less subject to reservation of an access easement to the commissioner of natural resources;

(6) the Southeast Quarter of the Northeast Quarter, Section 19, Township 163 North, Range 37 West, containing 40 acres, more or less;

(7) that part of the Northeast Quarter of the Northeast Quarter north of highway, Section 10, Township 162 North, Range 38 West, containing six acres, more or less;

(8) the Northeast Quarter of the Northwest Quarter, Section 25, Township 163 North, Range 38 West, containing 40 acres, more or less;

(9) the Southwest Quarter of the Northwest Quarter, Section 34, Township 163 North, Range 38 West, containing 40 acres, more or less;

(10) Government Lot 4, Section 1, Township 159 North, Range 39 West, containing 48.55 acres, more or less;

(11) the Southwest Quarter of the Southwest Quarter, Section 10, Township 159 North, Range 39 West, containing 40 acres, more or less;

(12) the Northwest Quarter of the Northwest Quarter, Section 15, Township 159 North, Range 39 West, containing 40 acres, more or less;

(13) the Northeast Quarter of the Northeast Quarter and the Southeast Quarter of the Northeast Quarter, Section 16, Township 159 North, Range 39 West, containing 80 acres, more or less;

(14) the South Half of the Northeast Quarter, Section 28, Township 159 North, Range 39 West, containing 80 acres, more or less;

(15) the South 10 acres of the Southeast Quarter of the Northwest Quarter, Section 34, Township 159 North, Range 39 West, containing 10 acres, more or less; and

(16) that part of the Southeast Quarter of the Southwest Quarter north and east of river, Section 30, Township 163 North, Range 39 West, containing 38 acres, more or less.

(d) The Department of Natural Resources has determined that the lands are not needed for natural resource purposes.

Sec. 25. PUBLIC SALE OF TAX-FORFEITED LANDS BORDERING PUBLIC WATER; ROSEAU COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Roseau County may sell the tax-forfeited lands bordering public water that are described in paragraph (c) under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyances must be in a form approved by the attorney general. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy.

(c) The land to be sold is located in Roseau County and is described as:

(1) the part of the Southeast Quarter of the Southwest Quarter, lying South of the River, less the East 174 feet in Section 8, Township 160, Range 39;

(2) the Northeast Quarter of the Southwest Quarter in Section 30, Township 161, Range 39; and

(3) the Southwest Quarter of the Southwest Quarter and Southeast Quarter of the Southwest Quarter, Section 8, Township 160, Range 40.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 26. CONVEYANCE OF STATE LAND BORDERING PUBLIC WATER; ST. LOUIS COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may convey the surplus land bordering public water that is described in paragraph (c). The land was previously tax-forfeited land and was sold to the state, acting through the commissioner of natural resources, pursuant to Laws 2008, chapter 368, article 1, section 56. The sale transaction may be reversed, with the land to be conveyed to the state and held in trust in favor of the respective taxing districts.

(b) Notwithstanding Minnesota Statutes, sections 94.10, 94.16, and 97A.056, the commissioner of natural resources may sell the land at the value paid in 2011, plus sale expenses. The commissioner must deposit in the outdoor heritage fund the amount paid for the value of the land. Any payment for sale expenses in excess of the land value must be deposited into the account from which the expenses were paid.

(c) The land that may be conveyed is located in St. Louis County and is described as Lot 7, Klimek's Addition to Grand Lake, according to the plat thereof on file and of record in the Office of the County Recorder, St. Louis County.

(d) The county has requested use of the land to allow snowmobile traffic to connect between Little Grand Lake and Grand Lake.

Sec. 27. PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; ST. LOUIS COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, St. Louis County may sell the tax-forfeited land bordering public water that is described in paragraph (c) under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyances must be in a form approved by the attorney general. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy. Before the sale of the lands described in paragraph (c), clauses (1), (3) to (7), (10), and (12), the commissioner of revenue must grant a permanent conservation easement according to Minnesota Statutes, section 282.37, to provide for a 75-foot-wide easement from the centerline on each side of the streams for riparian protection, angler access, and future restoration work.

(c) The lands to be sold are located in St. Louis County and are described as:

(1) Lot 3, Decker Road Addition to city of Duluth, Township 50, Range 14, Section 19 (parcel number 010-0825-00030);

(2) Lots 7, 8, and 9, including part of vacant street, Bailey Rearrangement of Block 29, Hunter's Grassy Point Addition to city of Duluth, Township 49, Range 15, Section 13 (parcel number 010-2390-00070);

(3) the South Half of the West 3-1/3 acres of the North Half of the Northwest Quarter of the Southeast Quarter, city of Duluth, Township 50, Range 14, Section 19 (parcel number 010-2710-05590);

(4) the North 3-1/3 acres of the Southwest Quarter of the Northwest Quarter of the Southeast Quarter, city of Duluth, Township 50, Range 14, Section 19 (parcel number 010-2710-05600);

(5) the North 2-1/2 acres of the South 6-2/3 acres of the Southwest Quarter of the Northwest Quarter of the Southeast Quarter, city of Duluth, Township 50, Range 14, Section 19 (parcel number 010-2710-05610);

(6) the South 1-2/3 acres of the Southwest Quarter of the Northwest Quarter of the Southeast Quarter, city of Duluth, Township 50, Range 14, Section 19 (parcel number 010-2710-05630);

(7) the East 5/6 of the North Half of the Southwest Quarter of the Southeast Quarter, except 8 acres at the northeast corner and except the South 261-28/100 feet of the East 522-44/100 feet and except the westerly 166 feet of the easterly 688-44/100 feet lying South of the northerly 396 feet and except a 110.44-foot by 124.99-foot parcel abutting the east line of Lot 5, Decker Road Addition located in the Northwest Quarter of the Southwest Quarter of the Southeast Quarter, city of Duluth, Township 50, Range 14, Section 19 (parcel number 010-2710-05670);

(8) a one-acre square in the southwest corner of the Southwest Quarter of the Southwest Quarter of the Southwest Quarter, city of Duluth, Township 54, Range 17, Section 3 (parcel number 305-0020-00460);

(9) Lot 5, town of Cotton, Township 54, Range 17, Section 10 (parcel number 305-0020-01590);

(10) the South Half of the Northwest Quarter of the Southeast Quarter, except 5 acres at the southwest corner, town of Duluth, Township 52, Range 12, Section 10 (parcel number 315-0020-01700);

(11) Lot 5, except the part subject to flowage rights, town of Fredenberg, Township 52, Range 15, Section 28 (parcel number 365-0010-05100); and

(12) the Northeast Quarter of the Southeast Quarter, town of Normanna, Township 52, Range 13, Section 32 (parcel number 485-0010-05390).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 28. PRIVATE OR PUBLIC SALE OF TAX-FORFEITED LANDS BORDERING PUBLIC WATER; ST. LOUIS COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, St. Louis County may sell by private or public sale the tax-forfeited lands bordering public water that are described in paragraph (c) under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyances must be in a form approved by the attorney general. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy.

(c) The lands to be sold are located in St. Louis County and are described as:

(1) the Northwest Quarter of the Southeast Quarter, except beginning at the northeast corner of the forty; thence West 200 feet; thence South 435.60 feet; thence East 200 feet; thence North 435.60 feet to the point of beginning and except that part lying westerly of the easterly 200 feet, town of Fayal, Township 57, Range 17, Section 29 (parcel number 340-0010-05320);

(2) the West 660 feet of Lot 5, town of Grand Lake, Township 51, Range 16, Section 19 (parcel number 380-0010-03970);

(3) the South Half of the North Half of the Southeast Quarter of the Northeast Quarter, town of Morcom, Township 61, Range 21, Section 15 (parcel number 460-0010-02376); and

(4) the East Half of the Northwest Quarter of the Northeast Quarter, town of Owens, Township 62, Range 18, Section 23 (parcel number 495-0010-02890).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 29. PRIVATE SALE OR CONVEYANCE OF TAX-FORFEITED LANDS BORDERING PUBLIC WATER; ST. LOUIS COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, St. Louis County may sell by private sale or may convey the tax-forfeited lands bordering public water described in paragraph (c) under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyances must be in a form approved by the attorney general. The conveyances may be for less than the appraised value of the lands. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy.

(c) The lands to be sold are located in St. Louis County and are described as:

(1) Lot 1, Block 29, Bailey Rearrangement of Block 29, Hunter's Grassy Point Addition to city of Duluth, Township 49, Range 15, Section 13 (parcel number 010-2390-00010); and

(2) Lot 2, Block 29, Bailey Rearrangement of Block 29, Hunter's Grassy Point Addition to city of Duluth, Township 49, Range 15, Section 13 (parcel number 010-2390-00020).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership or conveyed to a governmental subdivision.

Sec. 30. **PRIVATE SALE OF TAX-FORFEITED LANDS; ST. LOUIS COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited lands described in paragraph (c).

(b) The conveyances must be in a form approved by the attorney general. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy.

(c) The lands to be sold are located in St. Louis County and are described as:

(1) Lot 5, except the northerly 3 feet and except the southerly 10 feet, West Duluth 5th Division, Township 49, Range 14, Section 7 (parcel number 010-4510-06740);

(2) the East Half of Lot 6, Block 21, city of Tower, Township 62, Range 15, Section 32 (parcel number 080-0010-02470);

(3) part of the southerly 66 feet of the Northeast Quarter of the Northwest Quarter, city of Mountain Iron, Township 58, Range 18, Section 22 (parcel number 175-0071-03002);

(4) part of the West Half of the Southeast Quarter of the Northwest Quarter lying northerly of the southerly 200 feet, exempt 10 acres taconite, city of Mountain Iron, Township 58, Range 18, Section 22 (parcel number 175-0071-03032);

(5) part of the West 250 feet of the Southeast Quarter of the Southeast Quarter, Township 56, Range 17, Section 34 (parcel number 690-0010-05735);

(6) part of the Northeast Quarter, Township 64, Range 17, Section 24 (parcel number 699-0010-03590); and

(7) all or part of the South 166 feet of the North 516 feet of the Northeast Quarter of the Southeast Quarter, city of Aurora, Township 58, Range 15, Section 10 (parcel number 100-0080-01186).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 31. **PRIVATE SALE OF TAX-FORFEITED LANDS BORDERING PUBLIC WATER; ST. LOUIS COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, St. Louis County may sell by private sale the tax-forfeited lands bordering public water that are described in paragraph (c) under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyances must be in a form approved by the attorney general. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy. Before the sale of the land described in paragraph (c), clause (1), the commissioner of revenue must grant a permanent conservation easement according to Minnesota Statutes, section 282.37, to provide for a 75-foot-wide easement from the centerline on each side of the stream for riparian protection, angler access, and future restoration work.

(c) The lands to be sold are located in St. Louis County and are described as:

(1) part of the Southeast Quarter of the Southwest Quarter beginning 658.95 feet North of the southeast corner; thence West 996.51 feet; thence South 658.95 feet; thence East 50 feet; thence North 508.95 feet; thence East 946.51 feet; thence North 150 feet to the point of beginning, city of Rice Lake, Township 51, Range 14, Section 25 (parcel number 520-0016-02470);

(2) Lot 15, Block 29, including part of vacant street, Bailey Rearrangement of Block 29, Hunter's Grassy Point Addition to city of Duluth, Township 49, Range 15, Section 13 (parcel number 010-2390-00150);

(3) Lot 16, Block 29, including part of vacant street, Bailey Rearrangement of Block 29, Hunter's Grassy Point Addition to city of Duluth, Township 49, Range 15, Section 13 (parcel number 010-2390-00160); and

(4) Lot 3, town of Gnesen, Township 52, Range 14, Section 36 (parcel number 375-0010-07490).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 32. PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; TRAVERSE COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Traverse County may sell the tax-forfeited land bordering public water that is described in paragraph (c) under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in Traverse County and is described as: Lots 2, 3, and 4 in the South Side Addition in the city of Browns Valley, Traverse County, Minnesota (parcel number 20-0427000).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 33. PRIVATE SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; WASHINGTON COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Washington County may sell by private sale, for market value as determined by the county board, the tax-forfeited land bordering public water that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general for not less than the market value. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in Washington County and is described as: Government Lot 1, Section 32, Township 32 North, Range 20 West (PID 32.032.20.33.0001).

(d) The property described in paragraph (c) does not have access to a public road and the county has determined that it should be sold by private sale to an adjacent land owner.

Sec. 34. PUBLIC SALE OF TAX-FORFEITED LANDS BORDERING PUBLIC WATER; WATONWAN COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Watonwan County may sell the tax-forfeited lands bordering public water that are described in paragraph (c) under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyances must be in a form approved by the attorney general. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy.

(c) The lands to be sold are located in Watonwan County and are described as:

(1) Lot 2 of Auditor's Subdivision of Government Lot 13, Section 18, Township 105, Range 31; and

(2) Lot 7 of Berndt's Subdivision, Section 8, Township 105, Range 31.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 35. PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; WILKIN COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Wilkin County may sell the tax-forfeited land bordering public water that is described in paragraph (c) under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in Wilkin County and is described as: all that part of the Northwest Quarter of the Northeast Quarter, Section 11, Township 134 North, Range 48 West of the 5th principal meridian, described as follows: commencing at the northeast corner of Lot 11 of Block 5 in the village of Kent; thence in a northeasterly direction to a point where the north line of said Lot 11 would intersect Whiskey Creek if extended and projected in a northeasterly direction to said creek; running thence in a southwesterly direction along and meandering said creek to a point where the north line of Lot 1 of Block 6 of the village of Kent would intersect said creek if extended and projected in a northeasterly direction to said creek; running thence in a southwesterly direction to the northeast corner of said Lot 1 of said Block 6 of the village of Kent; running thence in a northwesterly direction and at right angles to said last mentioned line to the point of beginning; excepting therefrom that certain tract of land conveyed to the village of Kent by warranty deed dated July 8, 1940, and filed for record October 27, 1941, in Book 152 of Deeds, page 309, in the Office of the County Recorder of Wilkin County, Minnesota (parcel number 27-011-0060).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 36. **EFFECTIVE DATE.**

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to state lands; modifying requirements for exchanging road easements and for leasing forest lands; deleting from state forests; providing for public or private sales and conveyances of certain state lands; amending Minnesota Statutes 2016, sections 84.633, subdivision 2; 89.17; Laws 2011, chapter 3, section 13."

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

The report was adopted.

Runbeck from the Committee on Transportation and Regional Governance Policy to which was referred:

H. F. No. 1480, A bill for an act relating to transit; amending certain transit finance and project reporting requirements; making technical changes; amending Minnesota Statutes 2016, section 174.93.

Reported the same back with the following amendments:

Page 1, line 10, after "arterial" insert "or highway"

Page 1, line 12, delete "controlled" and insert "separated"

Page 1, line 17, strike "controlled" and insert "separated"

Page 1, line 20, after "(ii)" insert "as applicable, each line for dedicated bus service, which may include arterial or" and delete "and dedicated busways" and insert ", limited stop bus service, and express bus service"

Page 2, line 12, delete "Controlled" and insert "Separated"

Page 2, line 13, after the period, insert "Separated rights-of-way does not include a shoulder, dynamic shoulder lane, or priced lane under section 160.93."

Page 3, line 5, delete "and" and before the period, insert ", demand-response service, and special transportation service under section 473.386"

Page 3, line 30, after "ridership" insert ", farebox recovery ratio."

Page 3, line 31, after "for" insert "(1)"

Page 4, line 1, before the period, insert "; and (2) demand-response service and special transportation service"

Page 4, line 2, after the period, insert "The section must identify performance standards for farebox recovery and identify each route and line that does not meet the standards."

Page 4, after line 22, insert:

"Sec. 2. Minnesota Statutes 2016, section 473.13, subdivision 1b, is amended to read:

Subd. 1b. **Light Rail transit operating costs.** (a) If the council submits to the legislature or governor a budget that includes proposed operating assistance for one or more light rail transit lines operated by the council, the budget must show the proposed operating assistance for each light rail transit line separately from all other transit operating assistance in that budget.

(b) The council is prohibited from adopting a budget in which the combined operating expenditures for light rail transit and commuter rail are identified as more than 25 percent of the total transportation operating expenditures, excluding passthrough grants.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 3. **REGULAR ROUTE FARES.**

(a) On or before January 1, 2018, the Metropolitan Council must impose a fare increase for regular route transit service, and may impose fare increases for other transit service as appropriate and subject to Minnesota Statutes, section 473.408.

(b) Prior to determining the amount of fare increase, the council must implement a process that, at a minimum, includes:

(1) analysis of fares and farebox recovery in peer regions;

(2) estimation of the impacts to (i) ridership, (ii) farebox revenue, and (iii) farebox recovery ratios across all transit routes and lines in revenue operation;

(3) review and comment by the transportation advisory board under Minnesota Statutes, section 473.146, subdivision 4; and

(4) input from transit stakeholders, including but not limited to transit riders, replacement service providers under Minnesota Statutes, section 473.388, and the Transportation Accessibility Advisory Committee under Minnesota Statutes, section 473.375, subdivision 9a.

(c) By the earlier of November 30, 2017, or two weeks following approval of a fare increase, the council must submit a notification to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. The notification must (1) summarize the process implemented in paragraph (b), (2) identify the revised fare schedule, and (3) provide the information developed in paragraph (b), clauses (1) and (2).

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 4. **LIGHT RAIL TRANSIT; FEDERAL AGREEMENTS.**

Unless specifically authorized by law, the Metropolitan Council is prohibited from entering into a full funding grant agreement with the Federal Transit Administration for the proposed Southwest light rail transit line or for the proposed Bottineau light rail transit line.

EFFECTIVE DATE: APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, before "making" insert "requiring a fare increase; prohibiting certain agreements for light rail transit line construction;"

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.

Scott from the Committee on Civil Law and Data Practices 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 following amendments:

Page 2, line 20, after "registrar" insert "in a manner that complies with sections 13.05, subdivision 5, and 13.055"

Page 2, line 22, after "medium" insert "that complies with the security requirements under the United States Federal Bureau of Investigation, Criminal Justice Information Services Division, Policy 5.4 or any successor policy"

Page 2, line 28, delete "outside of" and insert "by"

Page 3, line 14, after the period, insert "Application records must be maintained at the office of the agent in a manner that complies with sections 13.05, subdivision 5, and 13.055."

Page 3, line 16, after "medium" insert "that complies with the security requirements under the United States Federal Bureau of Investigation, Criminal Justice Information Services Division, Policy 5.4 or any successor policy"

Page 3, line 21, delete "outside of the deputy registrar" and insert "by the agent"

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

The report was adopted.

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

H. F. No. 1532, A bill for an act relating to human services; modifying home health services; amending Minnesota Statutes 2016, sections 256B.0625, subdivision 6a; 256B.0653, subdivisions 2, 3, 4, 5, 6, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, after line 20, insert:

"Sec. 2. Minnesota Statutes 2016, section 256B.0652, subdivision 4, is amended to read:

Subd. 4. **Home health services.** Home health services including skilled nurse visits and home health aide visits must be authorized by the commissioner or the commissioner's designee. Authorization must be based on medical necessity and cost-effectiveness when compared with other care options. The commissioner must receive the request for authorization of skilled nurse visits and home health aide visits within ~~20 working~~ 30 calendar days of the start of service, and must receive the documentation of the face-to-face encounter as specified in section 256B.0653, subdivision 7, with the submittal of the claim for payment. When home health services are used in combination with personal care and home care nursing, the cost of all home care services shall be considered for cost-effectiveness."

Page 6, line 12, after "requiring" insert "authorization, including" and delete "need"

Page 6, line 13, delete "not" and insert "must"

Page 6, line 14, delete everything before the period and insert "consistent with the requirements of section 256B.0652, subdivision 4"

Page 6, delete lines 15 to 18

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 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. 1553, A bill for an act relating to human services; modifying medical assistance requirements and payment rates for nonemergency medical transportation; amending Minnesota Statutes 2016, section 256B.0625, subdivisions 17, 17b, 18d, 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.0625, subdivision 17, is amended to read:

Subd. 17. **Transportation costs.** (a) "Nonemergency medical transportation service" means motor vehicle transportation provided by a public or private person that serves Minnesota health care program beneficiaries who do not require emergency ambulance service, as defined in section 144E.001, subdivision 3, to obtain covered medical services.

(b) Medical assistance covers medical transportation costs incurred solely for obtaining emergency medical care or transportation costs incurred by eligible persons in obtaining emergency or nonemergency medical care when paid directly to an ambulance company, ~~common carrier~~ nonemergency medical transportation company, or other recognized providers of transportation services. Medical transportation must be provided by:

- (1) nonemergency medical transportation providers who meet the requirements of this subdivision;
- (2) ambulances, as defined in section 144E.001, subdivision 2;
- (3) taxicabs that meet the requirements of this subdivision;
- (4) public transit, as defined in section 174.22, subdivision 7; or
- (5) not-for-hire vehicles, including volunteer drivers.

(c) Medical assistance covers nonemergency medical transportation provided by nonemergency medical transportation providers enrolled in the Minnesota health care programs. All nonemergency medical transportation providers must comply with the operating standards for special transportation service as defined in sections 174.29 to 174.30 and Minnesota Rules, chapter 8840, and in consultation with the Minnesota Department of Transportation. All nonemergency medical transportation providers shall bill for nonemergency medical transportation services in accordance with Minnesota health care programs criteria. Publicly operated transit systems, volunteers, and not-for-hire vehicles are exempt from the requirements outlined in this paragraph.

(d) An organization may be terminated, denied, or suspended from enrollment if:

(1) the provider has not initiated background studies on the individuals specified in section 174.30, subdivision 10, paragraph (a), clauses (1) to (3); or

(2) the provider has initiated background studies on the individuals specified in section 174.30, subdivision 10, paragraph (a), clauses (1) to (3), and:

(i) the commissioner has sent the provider a notice that the individual has been disqualified under section 245C.14; and

(ii) the individual has not received a disqualification set-aside specific to the special transportation services provider under sections 245C.22 and 245C.23.

(e) The administrative agency of nonemergency medical transportation must:

(1) adhere to the policies defined by the commissioner in consultation with the Nonemergency Medical Transportation Advisory Committee;

(2) pay nonemergency medical transportation providers for services provided to Minnesota health care programs beneficiaries to obtain covered medical services;

(3) provide data monthly to the commissioner on appeals, complaints, no-shows, canceled trips, and number of trips by mode; and

(4) by July 1, 2016, in accordance with subdivision 18e, utilize a Web-based single administrative structure assessment tool that meets the technical requirements established by the commissioner, reconciles trip information with claims being submitted by providers, and ensures prompt payment for nonemergency medical transportation services.

(f) Until the commissioner implements the single administrative structure and delivery system under subdivision 18e, clients shall obtain their level-of-service certificate from the commissioner or an entity approved by the commissioner that does not dispatch rides for clients using modes of transportation under paragraph (i), clauses (4), (5), (6), and (7).

(g) The commissioner may use an order by the recipient's attending physician or a medical or mental health professional to certify that the recipient requires nonemergency medical transportation services. Nonemergency medical transportation providers shall perform driver-assisted services for eligible individuals, when appropriate. Driver-assisted service includes passenger pickup at and return to the individual's residence or place of business, assistance with admittance of the individual to the medical facility, and assistance in passenger securement or in securing of wheelchairs, child seats, or stretchers in the vehicle.

Nonemergency medical transportation providers must take clients to the health care provider using the most direct route, and must not exceed 30 miles for a trip to a primary care provider or 60 miles for a trip to a specialty care provider, unless the client receives authorization from the local agency.

Nonemergency medical transportation providers may not bill for separate base rates for the continuation of a trip beyond the original destination. Nonemergency medical transportation providers must maintain trip logs, which include pickup and drop-off times, signed by the medical provider or client, whichever is deemed most appropriate, attesting to mileage traveled to obtain covered medical services. Clients requesting client mileage reimbursement must sign the trip log attesting mileage traveled to obtain covered medical services.

(h) The administrative agency shall use the level of service process established by the commissioner in consultation with the Nonemergency Medical Transportation Advisory Committee to determine the client's most appropriate mode of transportation. If public transit or a certified transportation provider is not available to provide the appropriate service mode for the client, the client may receive a onetime service upgrade.

(i) The covered modes of transportation, ~~which may not be implemented without a new rate structure,~~ are:

(1) client reimbursement, which includes client mileage reimbursement provided to clients who have their own transportation, or to family or an acquaintance who provides transportation to the client;

(2) volunteer transport, which includes transportation by volunteers using their own vehicle;

(3) unassisted transport, which includes transportation provided to a client by a taxicab or public transit. If a taxicab or public transit is not available, the client can receive transportation from another nonemergency medical transportation provider;

(4) assisted transport, which includes transport provided to clients who require assistance by a nonemergency medical transportation provider;

(5) lift-equipped/ramp transport, which includes transport provided to a client who is dependent on a device and requires a nonemergency medical transportation provider with a vehicle containing a lift or ramp;

(6) protected transport, which includes transport provided to a client who has received a prescreening that has deemed other forms of transportation inappropriate and who requires a provider: (i) with a protected vehicle that is not an ambulance or police car and has safety locks, a video recorder, and a transparent thermoplastic partition between the passenger and the vehicle driver; and (ii) who is certified as a protected transport provider; and

(7) stretcher transport, which includes transport for a client in a prone or supine position and requires a nonemergency medical transportation provider with a vehicle that can transport a client in a prone or supine position.

(j) The local agency shall be the single administrative agency and shall administer and reimburse for modes defined in paragraph (i) according to paragraphs (m) and (n) when the commissioner has developed, made available, and funded the Web-based single administrative structure, assessment tool, and level of need assessment under subdivision 18e. The local agency's financial obligation is limited to funds provided by the state or federal government.

(k) The commissioner shall:

(1) in consultation with the Nonemergency Medical Transportation Advisory Committee, verify that the mode and use of nonemergency medical transportation is appropriate;

(2) verify that the client is going to an approved medical appointment; and

(3) investigate all complaints and appeals.

(l) The administrative agency shall pay for the services provided in this subdivision and seek reimbursement from the commissioner, if appropriate. As vendors of medical care, local agencies are subject to the provisions in section 256B.041, the sanctions and monetary recovery actions in section 256B.064, and Minnesota Rules, parts 9505.2160 to 9505.2245.

(m) Payments for nonemergency medical transportation must be paid based on the client's assessed mode under paragraph (h), not the type of vehicle used to provide the service. The medical assistance reimbursement rates for nonemergency medical transportation services that are payable by or on behalf of the commissioner for nonemergency medical transportation services are:

(1) \$0.22 per mile for client reimbursement;

(2) up to 100 percent of the Internal Revenue Service business deduction rate for volunteer transport;

(3) equivalent to the standard fare for unassisted transport when provided by public transit, and \$11 for the base rate and \$1.30 per mile when provided by a nonemergency medical transportation provider;

(4) \$13 for the base rate and \$1.30 per mile for assisted transport;

(5) \$18 for the base rate and \$1.55 per mile for lift-equipped/ramp transport;

(6) \$75 for the base rate and \$2.40 per mile for protected transport; and

(7) \$60 for the base rate and \$2.40 per mile for stretcher transport, and \$9 per trip for an additional attendant if deemed medically necessary.

(n) The base rate for nonemergency medical transportation services in areas defined under RUCA to be super rural is equal to 111.3 percent of the respective base rate in paragraph (m), clauses (1) to (7). The mileage rate for nonemergency medical transportation services in areas defined under RUCA to be rural or super rural areas is:

(1) for a trip equal to ~~47~~ 50 miles or less, equal to 125 percent of the respective mileage rate in paragraph (m), clauses (1) to (7); and

(2) for a trip ~~between 18 and~~ greater than 50 miles, equal to 112.5 percent of the respective mileage rate in paragraph (m), clauses (1) to (7).

(o) For purposes of reimbursement rates for nonemergency medical transportation services under paragraphs (m) and (n), the zip code of the recipient's place of residence shall determine whether the urban, rural, or super rural reimbursement rate applies.

(p) For purposes of this subdivision, "rural urban commuting area" or "RUCA" means a census-tract based classification system under which a geographical area is determined to be urban, rural, or super rural.

(q) The commissioner, when determining reimbursement rates for nonemergency medical transportation under paragraphs (m) and (n), shall exempt all modes of transportation listed under paragraph (i) from Minnesota Rules, part 9505.0445, item R, subitem (2).

Sec. 2. Minnesota Statutes 2016, section 256B.0625, subdivision 17b, is amended to read:

Subd. 17b. **Documentation required.** (a) As a condition for payment, nonemergency medical transportation providers must document each occurrence of a service provided to a recipient according to this subdivision. Providers must maintain odometer and other records sufficient to distinguish individual trips with specific vehicles and drivers. The documentation may be collected and maintained using electronic systems or software or in paper form but must be made available and produced upon request. Program funds paid for transportation that is not documented according to this subdivision shall be recovered by the department.

(b) A nonemergency medical transportation provider must compile transportation records that meet the following requirements:

(1) the record must be in English and must be legible according to the standard of a reasonable person;

(2) the recipient's name must be on each page of the record; and

(3) each entry in the record must document:

(i) the date on which the entry is made;

(ii) the date or dates the service is provided;

(iii) the printed last name, first name, and middle initial of the driver;

(iv) the signature of the driver attesting to the following: "I certify that I have accurately reported in this record the trip miles I actually drove and the dates and times I actually drove them. I understand that misreporting the miles driven and hours worked is fraud for which I could face criminal prosecution or civil proceedings.";

(v) the signature of the recipient or authorized party attesting to the following: "I certify that I received the reported transportation service.", or the signature of the provider of medical services certifying that the recipient was delivered to the provider;

(vi) the address, or the description if the address is not available, of both the origin and destination, and the mileage for the most direct route from the origin to the destination;

(vii) the mode of transportation in which the service is provided;

(viii) the license plate number of the vehicle used to transport the recipient;

(ix) whether the service was ambulatory or nonambulatory ~~until the modes under subdivision 17 are implemented;~~

(x) the time of the pickup and the time of the drop-off with "a.m." and "p.m." designations;

(xi) the name of the extra attendant when an extra attendant is used to provide special transportation service; and

(xii) the electronic source documentation used to calculate driving directions and mileage.

Sec. 3. Minnesota Statutes 2016, section 256B.0625, is amended by adding a subdivision to read:

Subd. 17c. **Nursing facility transports.** A Minnesota health care program enrollee residing in, or being discharged from, a licensed nursing facility is exempt from a level of need determination and is eligible for nonemergency medical transportation services until the enrollee no longer resides in a licensed nursing facility, as provided in section 256B.04, subdivision 14a.

Sec. 4. Minnesota Statutes 2016, section 256B.0625, subdivision 18h, is amended to read:

Subd. 18h. **Managed care.** (a) The following subdivisions ~~do not~~ apply to managed care plans and county-based purchasing plans:

(1) subdivision 17, paragraphs ~~(d) to (k)~~ (a), (b), (i), and (n);

(2) subdivision ~~18e~~ 18; and

(3) subdivision ~~18g~~ 18a.

(b) A nonemergency medical transportation provider must comply with the operating standards for special transportation service specified in sections 174.29 to 174.30 and Minnesota Rules, chapter 8840. Publicly operated transit systems, volunteers, and not-for-hire vehicles are exempt from the requirements in this paragraph.

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

Amend the title as follows:

Page 1, line 2, after "assistance" insert "and managed care"

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.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 1607, A bill for an act relating to housing; authorizing the creation of housing trust funds by local governments; authorizing counties and cities to impose a surcharge on document recording fees for deposit into a housing trust fund; requiring reports; appropriating money; amending Minnesota Statutes 2016, sections 357.18, by adding a subdivision; 357.182, subdivision 2; 508.82, by adding a subdivision; 508A.82, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 462C.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[462C.16] HOUSING TRUST FUNDS FOR LOCAL HOUSING DEVELOPMENT.**

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

(b) "Commissioner" means the commissioner of the Minnesota Housing Finance Agency.

(c) "Fund" means a local housing trust fund or a regional housing trust fund.

(d) "Local government" means any statutory or home rule charter city or a county.

(e) "Local housing trust fund" means a fund established by a local government with one or more dedicated sources of public revenue for housing.

(f) "Regional housing trust fund" means a fund established and administered under a joint powers agreement entered into by two or more local governments with one or more dedicated sources of public revenue for housing.

Subd. 2. **Creation and administration.** (a) A local government may establish a local housing trust fund by ordinance or participate in a joint powers agreement to establish a regional housing trust fund.

(b) A local or regional housing trust fund may be, but is not required to be, administered through a nonprofit organization. If administered through a nonprofit organization, that organization shall encourage private charitable donations to the fund.

Subd. 3. **Authorized expenditures.** Money in a local or regional housing trust fund may be used only to:

(1) pay for administrative expenses, but not more than ten percent of the balance of the fund may be spent on administration;

(2) make grants, loans, and loan guarantees for the development, rehabilitation, or financing of housing;

(3) match other funds from federal, state, or private resources for housing projects; or

(4) provide down payment assistance, rental assistance, and homebuyer counseling services.

Subd. 4. **Funding.** (a) A local government may finance its local or regional housing trust fund with any money available to the local government, unless expressly prohibited by state law. Sources of these funds include, but are not limited to:

(1) donations;

(2) bond proceeds;

(3) grants and loans from a state, federal, or private source;

(4) appropriations by a local government to the fund;

(5) investment earnings of the fund; and

(6) housing and redevelopment authority levies.

(b) The local government may alter a source of funding for the local or regional housing trust fund, but only if, once altered, sufficient funds will exist to cover the projected debts or expenditures authorized by the fund in its budget.

Subd. 5. **Matching contributions.** (a) In fiscal year 2018 and fiscal year 2019 only, if a local or regional housing trust fund receives funds from a housing and redevelopment authority levy or special tax pursuant to sections 469.001 to 469.047 or section 469.033, subdivision 6, at the end of the fiscal year, the commissioner must transfer to the trust:

(1) 100 percent of the amount not exceeding \$100,000 that the trust receives in a fiscal year under this paragraph; and

(2) 50 percent of the amount over \$100,000 and not exceeding \$500,000 that the trust receives in a fiscal year under this paragraph.

(b) Matching contributions from the state under this subdivision must be expended on authorized expenditures listed in subdivision 3 within eight years of being collected and may only be used for activities serving individuals and households with incomes at or below 115 percent of the state median income. Amounts not expended within this time period must be transferred to the Minnesota Housing Finance Agency.

Subd. 6. **Reports.** (a) A local or regional housing trust fund established under this section must report annually to the local government that created the fund. The local government or governments must post this report on its public Web site.

(b) A local or regional housing trust fund that receives matching contributions under subdivision 5, paragraph (a), must report annually to the commissioner its compliance with the income restrictions in subdivision 5, paragraph (b).

Subd. 7. **Effect of legislation on existing local or regional housing trust funds.** A local or regional housing trust fund existing on the effective date of this section is not required to alter the existing terms of its governing documents or take any additional authorizing actions required by subdivision 2.

Sec. 2. **APPROPRIATION.**

\$1,000,000 in fiscal year 2018 and \$1,000,000 in fiscal year 2019 are appropriated from the general fund to the commissioner of the Minnesota Housing Finance Agency for transfers required under Minnesota Statutes, section 462C.16, subdivision 5. If the amount appropriated under this section is not sufficient to make all of the required transfers, the commissioner must proportionately reduce the amount transferred to each fund. This is a onetime appropriation."

Delete the title and insert:

"A bill for an act relating to housing; authorizing the creation of housing trust funds by local governments; requiring reports; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 462C."

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.

Scott from the Committee on Civil Law and Data Practices Policy to which was referred:

H. F. No. 1702, A bill for an act relating to juvenile justice; informing children under 14 years of age of the right to counsel; requiring that waivers of counsel be in writing by the child; requiring notice to counsel; amending Minnesota Statutes 2016, sections 260C.163, subdivisions 3, 10; 260C.607, subdivision 2.

Reported the same back with the following amendments:

Page 1, line 12, strike ", parent, guardian, or custodian"

Page 1, line 14, delete everything after the period and insert:

"(c) Except in proceedings where the sole basis for the petition is habitual truancy, if the parent, guardian, or custodian desires counsel but is unable to employ it, the court shall appoint counsel"

Page 1, line 15, delete "for" and insert "to represent"

Page 1, line 17, after the period, insert "Court-appointed counsel shall be at county expense as outlined in paragraph (h)."

Page 2, line 12, delete "and shall"

Page 2, lines 13 to 15, delete the new language

Reletter the paragraphs in sequence and correct the internal references

Amend the title as follows:

Page 1, line 2, delete "under 14 years of" and after "age" insert "ten and over"

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.

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

H. F. No. 1705, A bill for an act relating to human services; providing supplemental payments to providers of durable medical equipment and medical supplies; 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.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 1714, A bill for an act relating to health; requiring the commissioner of health to establish a working group and pilot programs to improve the implementation of youth sports concussion protocols and identify best practices for preventing and treating concussions; appropriating money.

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.

Anderson, P., from the Committee on Agriculture Policy to which was referred:

H. F. No. 1717, A bill for an act relating to agriculture; making policy and technical changes to various agricultural-related provisions; reorganizing dairy law; making conforming changes; amending Minnesota Statutes 2016, sections 13.6435, subdivision 8; 15.985; 18B.01, subdivisions 8, 31, by adding subdivisions; 18B.03, subdivisions 1, 4; 18B.04; 18B.26, subdivision 1; 18B.28, subdivisions 1, 3; 18B.305, subdivision 1; 18B.37, subdivision 3; 18H.06, subdivision 2; 18H.07, subdivisions 2, 3; 21.111, subdivisions 2, 3; 21.113; 21.117; 25.32; 25.33, subdivisions 5, 10, 21; 25.341, subdivisions 1, 2; 25.35; 25.371, subdivision 2; 25.38; 25.39, subdivisions 1, 1a, 2, 3; 25.40, subdivision 2; 25.41, subdivisions 1, 2, 3, 5, 7a; 25.42; 25.43; 27.04; 27.041, subdivision 1; 28A.03, by adding a subdivision; 28A.04, subdivision 1; 28A.05; 28A.08, subdivision 3; 28A.15, by adding subdivisions; 28A.21, subdivision 6; 31A.02, subdivision 4; 41B.03, subdivisions 2, 3; 223.17, subdivision 8; 232.22, subdivision 7; proposing coding for new law in Minnesota Statutes, chapters 18B; 27; proposing coding for new law as Minnesota Statutes, chapter 32D; repealing Minnesota Statutes 2016, sections 18B.01, subdivisions 10a, 10b, 22a; 18B.285; 25.371, subdivisions 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15; 28A.15, subdivision 2; 32.01, subdivisions 1, 2, 6, 8, 9, 10, 11, 12; 32.021; 32.071; 32.072; 32.073; 32.074; 32.075; 32.076; 32.078; 32.10; 32.102; 32.103; 32.105; 32.106; 32.21; 32.212; 32.22; 32.25; 32.391, subdivisions 1, 1d, 1e, 1f, 1g, 2, 3; 32.392; 32.393; 32.394, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 8a, 8b, 8c, 8d, 8e, 9, 11, 12; 32.395; 32.397; 32.398, subdivision 1; 32.401, subdivisions 1, 2, 3, 5; 32.415; 32.416; 32.475; 32.481, subdivision 1; 32.482; 32.483; 32.484; 32.486; 32.55, subdivisions 1, 2, 3, 4, 5, 12, 13, 14; 32.555; 32.56; 32.61; 32.62; 32.63; 32.64; 32.645; 32.70; 32.71; 32.72; 32.74; 32.745; 32.75; 32.90.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
AGRICULTURAL POLICY

Section 1. Minnesota Statutes 2016, section 15.985, is amended to read:

15.985 ADVISORY INSPECTIONS.

(a) Upon the voluntary request of a person to a state agency for an advisory inspection for the purpose of complying with state law, the agency must, except as provided in paragraphs (f) and (g), conduct an advisory inspection. An agency is not required to conduct an advisory inspection if the agency has a regularly scheduled inspection that would occur within 90 days after the request for the advisory inspection, or if before an advisory inspection is requested, the agency has notified the person that it will be conducting an inspection within 45 days. If an advisory inspection results in findings that potentially could make a person subject to a fine or other penalty imposed by the agency, the agency must notify the person in writing of those findings within ten days of the inspection.

(1) Except as provided in clause (2), if within 60 days of receiving notice, the person notifies the agency that it has corrected the situation that made the person potentially subject to the fine or penalty, and the agency later determines that the situation is corrected, the agency may not impose a fine or penalty as a result of the findings in the advisory inspection.

(2) For violations of chapter 177, if the person notifies the agency within the time period for remedying violations required under the applicable section of chapter 177 that it has corrected the situation that made the person potentially subject to the fine or penalty, and the agency later determines that the situation is corrected, the agency may not impose a fine or penalty as a result of the finding in the advisory inspection.

(3) A person may not request more than one advisory inspection from the same agency in a calendar year. A person may not request an advisory inspection after an inspection resulting in a fine or other penalty has been determined and the violator notified of the amount to be paid, until fines or penalties have been paid or settled.

(b) For purposes of this section:

(1) "inspection" includes an examination of real or personal property or an audit or other examination of financial or other documents;

(2) "penalty" includes a civil or administrative fine or other financial sanction;

(3) "person" includes a real person and businesses, including corporations, partnerships, limited liability companies, and unincorporated associations; and

(4) "state agency" means a department, agency, board, commission, constitutional office, or other group in the executive branch of state government.

(c) If an agency revises, amends, extends, or adds additional violations to a notice, the person has 60 days from the date of those changes to correct the situation without fine or penalty. For violations of chapter 177, the person has the time period for remedying violations under the applicable section of chapter 177 to correct the situation without fine or penalty.

(d) An agency conducting an inspection under this section may impose and collect from the person requesting the inspection a fee equal to the costs incurred by the agency related to the inspection. Fees under this section shall be considered charges for goods and services provided for the direct and primary use of a private individual,

business, or other entity under section 16A.1283, paragraph (b), clause (3). Fee revenue collected under this section must be deposited in an appropriate fund other than the general fund and is appropriated from that fund to the agency collecting the fee for the purpose of conducting inspections under this section.

(e) Nothing in this section shall prohibit or interfere with an agency offering similar programs that allow independent audits or inspections, including the environmental improvement program under chapter 114C. If a person conducts a self-audit under chapter 114C, the terms and conditions of this section do not apply. For advisory inspections conducted by the Pollution Control Agency, terms and conditions of sections 114C.20 to 114C.28 shall be used instead of those in paragraphs (a) to (c) and (g).

(f) If agency staff resources are limited, an agency must give higher priority to the agency's regular inspections over advisory inspections under this section. Insofar as conducting advisory inspections reduces an agency's costs, the savings must be reflected in the charges for advisory inspections. Before hiring additional staff complement for purposes of this section, an agency must report to the chairs and ranking minority members of the legislative budget committees with jurisdiction over the agency documenting: (1) the demand for advisory inspections and why additional staff complement is needed to meet the demand; and (2) that the revenue generated by advisory inspections will cover the expenses of the additional staff complement. If a person requests an advisory inspection, but the agency does not have staff resources necessary to conduct the advisory inspection before a regular inspection is conducted, and the regular inspection results in findings that could make a person subject to a fine or penalty, the agency must take into account the person's request for an advisory inspection and the person's desire to take corrective action before taking any enforcement action against the person.

(g) This section does not apply to:

- (1) criminal penalties;
- (2) situations in which implementation of this section is prohibited by federal law or would result in loss of federal funding or in other federal sanctions or in which implementation would interfere with multistate agreements, international agreements, or agreements between state and federal regulatory agencies;
- (3) conduct constituting fraud;
- (4) violations in a manner that endangers human life or presents significant risk of major injury or severe emotional harm to humans;
- (5) violations that are part of a pattern that has occurred repeatedly and shows willful intent;
- (6) violations for which it may be demonstrated that the alternative inspections process is being used to avoid enforcement;
- (7) violations that occur within three years of violating an applicable law;
- (8) the Department of Revenue;
- (9) the Workers' Compensation Division at the Department of Labor and Industry;
- (10) violations of vehicle size weight limits under sections 169.80 to 169.88;
- (11) commercial motor vehicle inspections under section 169.781 and motor carrier regulations under chapter 221;

~~(12) the Dairy and Food Inspection Division of the Department of Agriculture, if the division provides free inspections similar to those under this section;~~

~~(13)~~ (12) state inspections or surveys of hospitals, nursing homes, outpatient surgical centers, supervised living facilities, board and lodging with special services, home care, housing with services and assisted living settings, hospice, and supplemental nursing services agencies;

~~(14)~~ (13) examinations of health maintenance organizations or county-based purchasing entities regulated under chapter 62D;

~~(15)~~ (14) special transportation services under section 174.30; and

~~(16)~~ (15) entities regulated by the Department of Commerce's Financial Institutions and Insurance Divisions for purposes of regulatory requirements of those divisions.

If an agency determines that this section does not apply due to situations specified in clause (2), the agency must report the basis for that determination to the chairs and ranking minority members of the legislative committees with jurisdiction over the agency.

(h) An agency may terminate an advisory inspection and proceed as if an inspection were a regular inspection if, in the process of conducting an advisory inspection, the agency finds a situation that the agency determines: could lead to criminal penalties; endangers human life or presents significant risk of major injury or severe emotional harm to humans; presents a severe and imminent threat to animals, food, feed, crops, commodities, or the environment; or evidences a pattern of willful violations.

Sec. 2. Minnesota Statutes 2016, section 18B.01, is amended by adding a subdivision to read:

Subd. 9b. **Experimental use permit.** "Experimental use permit" means a permit issued by the United States Environmental Protection Agency as authorized in Section 5 of the Federal Insecticide, Fungicide, and Rodenticide Act.

Sec. 3. Minnesota Statutes 2016, section 18B.01, is amended by adding a subdivision to read:

Subd. 9c. **Experimental use pesticide product.** "Experimental use pesticide product" means any federally registered or unregistered pesticide whose use is authorized by an experimental use permit issued by the United States Environmental Protection Agency.

Sec. 4. Minnesota Statutes 2016, section 18B.26, subdivision 1, is amended to read:

Subdivision 1. **Requirement.** (a) Except as provided in paragraphs (b) to ~~(d)~~ (e), a person may not use or distribute a pesticide in this state unless it is registered with the commissioner. Pesticide registrations expire on December 31 of each year and may be renewed on or before that date for the following calendar year.

(b) Registration is not required if a pesticide is shipped from one plant or warehouse to another plant or warehouse operated by the same person and used solely at the plant or warehouse as an ingredient in the formulation of a pesticide that is registered under this chapter.

(c) An unregistered pesticide that was previously registered with the commissioner may be used for a period of two years following the cancellation of the registration of the pesticide, unless the commissioner determines that the continued use of the pesticide would cause unreasonable adverse effects on the environment, or with the written permission of the commissioner. To use the unregistered pesticide at any time after the two-year period, the pesticide end user must demonstrate to the satisfaction of the commissioner, if requested, that the pesticide has been continuously registered under a different brand name or by a different manufacturer and has similar composition, or, the pesticide end user obtains the written permission of the commissioner.

(d) The commissioner may allow specific pesticide products that are not registered with the commissioner to be distributed in this state for use in another state.

(e) A substance or mixture of substances being tested only to determine its potential efficacy as a pesticide, or to determine its toxicity or other properties, and not requiring the issuance of an experimental use permit under United States Environmental Protection Agency criteria specified in federal regulations, is not required to be registered.

~~(e)~~ (f) Each pesticide with a unique United States Environmental Protection Agency pesticide registration number or a unique brand name must be registered with the commissioner.

~~(f)~~ (g) It is unlawful for a person to distribute or use a pesticide in the state, or to sell into the state for use in the state, any pesticide product that has not been registered by the commissioner and for which the applicable pesticide registration application fee, gross sales fee, or waste pesticide program surcharge is not paid pursuant to subdivisions 3 and 4.

~~(g)~~ (h) Every person who sells for use in the state a pesticide product that has been registered by the commissioner shall pay to the commissioner the applicable registration application fees, sales fees, and waste pesticide program surcharges. These sales expressly include all sales made electronically, telephonically, or by any other means that result in a pesticide product being shipped to or used in the state. There is a rebuttable presumption that pesticide products that are sold or distributed in or into the state by any person are sold or distributed for use in the state.

Sec. 5. Minnesota Statutes 2016, section 18B.28, subdivision 1, is amended to read:

Subdivision 1. **Requirement.** A person may not use or distribute an experimental use pesticide product in the state until it is registered with the commissioner. Experimental use pesticide product registrations expire on December 31 of each year and may be renewed on or before that date. A substance or mixture of substances being tested only to determine its potential efficacy as a pesticide, or to determine its toxicity or other properties, and not requiring the issuance of an experimental use permit under United States Environmental Protection Agency criteria specified in federal regulations, is not required to be registered.

Sec. 6. Minnesota Statutes 2016, section 18B.28, subdivision 3, is amended to read:

Subd. 3. **Application.** A person must file an application for experimental use pesticide product registration with the commissioner. An application to register an experimental use pesticide product must include:

- (1) the name and address of the applicant;
- (2) a ~~federal~~ copy of the United States Environmental Protection Agency approval document permit;
- (3) a description of the purpose or objectives of the experimental use product;
- (4) ~~an~~ a copy of the experimental use pesticide labeling accepted experimental use pesticide product label by the United States Environmental Protection Agency;
- (5) the name, address, and telephone number of cooperators or participants in this state;
- (6) the amount of material to be shipped or used in this state; and
- (7) other information requested by the commissioner.

Sec. 7. Minnesota Statutes 2016, section 18B.37, subdivision 3, is amended to read:

Subd. 3. **Structural pest control applicators.** (a) A structural pest control applicator must maintain a record of each structural pest control application conducted by that person or by the person's employees. The record must include the:

- (1) date of structural pest control application;
 - (2) target pest;
 - (3) brand name of the pesticide, United States Environmental Protection Agency registration number, and amount used;
 - (4) for fumigation, the temperature and exposure time;
 - (5) time the pesticide application was completed;
 - (6) name and address of the customer;
 - (7) name of structural pest control applicator, name of company and address of applicator or company, and license number of applicator; and
 - (8) any other information required by the commissioner.
- (b) All information for this record requirement must be contained in a document for each pesticide application. An invoice containing the required information may constitute the record.
- (c) The record must be completed no later than five days after the application of the pesticide.
- (d) Records must be retained for five years after the date of treatment.
- (e) A copy of the record must be given to a person who ordered the application that is present at the site where the structural pest control application is conducted, placed in a conspicuous location at the site where the structural pest control application is conducted immediately after the application of the pesticides, or delivered to the person who ordered an application or the owner of the site. The commissioner must make sample forms available that meet the requirements of this subdivision.

(f) A structural applicator must post in a conspicuous place inside a renter's apartment where a pesticide application has occurred a list of postapplication precautions contained on the label of the pesticide that was applied in the apartment and any other information required by the commissioner.

Sec. 8. Minnesota Statutes 2016, section 18C.70, subdivision 5, is amended to read:

Subd. 5. **Expiration.** This section expires ~~January 8, 2017~~ June 30, 2020.

EFFECTIVE DATE. This section is effective retroactively from January 7, 2017.

Sec. 9. Minnesota Statutes 2016, section 18C.71, subdivision 4, is amended to read:

Subd. 4. **Expiration.** This section expires ~~January 8, 2017~~ June 30, 2020.

EFFECTIVE DATE. This section is effective retroactively from January 7, 2017.

Sec. 10. Minnesota Statutes 2016, section 18H.06, subdivision 2, is amended to read:

Subd. 2. **Occasional sales.** (a) An individual may offer nursery stock for sale and be exempt from the requirement to obtain a nursery stock certificate if:

- (1) the gross sales of all nursery stock in a calendar year do not exceed \$2,000;
- (2) all nursery stock sold or distributed by the individual is intended for planting in Minnesota;
- (3) all nursery stock purchased or procured for resale or distribution was grown in Minnesota and has been certified by the commissioner; and
- (4) the individual conducts sales or distributions of nursery stock on ten or fewer days in a calendar year.

(b) A municipality may offer certified nursery stock for sale and be exempt from the requirement to obtain a nursery stock certificate if:

(1) all nursery stock offered for sale or distributed is intended for planting by residents of the municipality on public property or public easements within the municipal boundary;

(2) all nursery stock purchased or procured for resale or distribution is grown in Minnesota and has been certified by the commissioner; and

(3) the municipality submits to the commissioner before any sale or distribution of nursery stock a list of all suppliers who provide the municipality with nursery stock.

~~(b)~~ (c) The commissioner may prescribe the conditions of the exempt nursery sales under this subdivision and may conduct routine inspections of the nursery stock offered for sale.

Sec. 11. Minnesota Statutes 2016, section 18H.07, subdivision 2, is amended to read:

Subd. 2. **Nursery stock grower certificate.** (a) A nursery stock grower must pay an annual fee based on the area of all acreage on which nursery stock is grown as follows:

- (1) less than one-half acre, \$150;
- (2) from one-half acre to two acres, \$200;
- (3) over two acres up to five acres, \$300;
- (4) over five acres up to ten acres, \$350;
- (5) over ten acres up to 20 acres, \$500;
- (6) over 20 acres up to 40 acres, \$650;
- (7) over 40 acres up to 50 acres, \$800;
- (8) over 50 acres up to 200 acres, \$1,100;
- (9) over 200 acres up to 500 acres, \$1,500; and

(10) over 500 acres, \$1,500 plus \$2 for each additional acre.

(b) In addition to the fees in paragraph (a), a penalty of ten percent of the fee due must be charged for each month, or portion thereof, that the fee is delinquent up to a maximum of 30 percent for any application for renewal not postmarked or electronically date stamped by December 31 of the current year.

(c) A nursery stock grower found operating without a valid nursery stock grower certificate cannot offer for sale or sell nursery stock until: (1) payment is received by the commissioner for (i) the certificate fee due, and (ii) a penalty equal to the certificate fee owed; and (2) a new certificate is issued to the nursery stock grower by the commissioner.

Sec. 12. Minnesota Statutes 2016, section 18H.07, subdivision 3, is amended to read:

Subd. 3. **Nursery stock dealer certificate.** (a) A nursery stock dealer must pay an annual fee based on the dealer's gross sales of certified nursery stock per location during the most recent certificate year. A certificate applicant operating for the first time must pay the minimum fee. The fees per sales location are:

- (1) gross sales up to \$5,000, \$150;
- (2) gross sales over \$5,000 up to \$20,000, \$175;
- (3) gross sales over \$20,000 up to \$50,000, \$300;
- (4) gross sales over \$50,000 up to \$75,000, \$425;
- (5) gross sales over \$75,000 up to \$100,000, \$550;
- (6) gross sales over \$100,000 up to \$200,000, \$675; and
- (7) gross sales over \$200,000, \$800.

(b) In addition to the fees in paragraph (a), a penalty of ten percent of the fee due must be charged for each month, or portion thereof, that the fee is delinquent up to a maximum of 30 percent for any application for renewal not postmarked or electronically date stamped by December 31 of the current year.

(c) A nursery stock dealer found operating without a valid nursery stock dealer certificate cannot offer for sale or sell nursery stock until: (1) payment is received by the commissioner for (i) the certificate fee due, and (ii) a penalty equal to the certificate fee owed; and (2) a new certificate is issued to the nursery stock dealer by the commissioner.

Sec. 13. Minnesota Statutes 2016, section 21.111, subdivision 2, is amended to read:

Subd. 2. **Inspected.** "Inspected" means that the potato plants are examined in the field and that the harvested potatoes produced by ~~such~~ the potato plants are examined by or under the authority of the commissioner. For seed potatoes produced in a lab, inspected means that the lab's records, including records related to the lab's procedures and protocols, as well as the seed potatoes, have been examined under the authority of the commissioner.

Sec. 14. Minnesota Statutes 2016, section 21.111, subdivision 3, is amended to read:

Subd. 3. **Certified.** "Certified" means that the potatoes were inspected while growing in the field and again after being harvested, and were thereafter duly certified by or under the authority of the commissioner, as provided in sections 21.111 to 21.122, and as provided by rules adopted and published by the commissioner. For seed potatoes produced in a lab, certified means that:

(1) the seed potato lab facilities and the lab's procedures and protocols have been examined under the authority of the commissioner; and

(2) the seed potatoes have been inspected after they have been harvested, removed, or released from the lab, and were duly certified by or under the authority of the commissioner, as provided in sections 21.111 to 21.122.

Sec. 15. Minnesota Statutes 2016, section 21.113, is amended to read:

21.113 CERTIFICATES OF INSPECTION.

(a) The commissioner shall ~~cause~~ issue certificates of inspection ~~to be issued~~ only when seed potatoes have been inspected while growing in the field and again after being harvested.

(b) For seed potatoes produced in a lab, the commissioner shall issue certificates of inspection only after:

(1) the seed potato lab facility and the lab's records have been inspected; and

(2) the seed potatoes have been inspected after they have been harvested, removed, or released from the lab.

~~Such~~ (c) Certificates of inspection under this section shall show the varietal purity and the freedom from disease and physical injury of such potatoes and ~~shall contain such~~ any other information as may be prescribed by rules adopted and published under sections 21.111 to 21.122.

Sec. 16. Minnesota Statutes 2016, section 21.117, is amended to read:

21.117 APPLICATIONS FOR INSPECTIONS; WITHDRAWALS.

(a) Any person may make application to the commissioner for inspection or certification of seed potatoes growing or to be grown. Upon receiving such application and the required fee and such other information as may be required, the commissioner shall cause such potatoes to be inspected or certified in accordance with the provisions of sections 21.111 to 21.122 and the rules adopted and published thereunder.

(b) If a grower wishes to withdraw a field or lab after having made application for inspection and such withdrawal is requested before the field or lab inspection has been made, the fee paid shall be refunded to said grower.

Sec. 17. Minnesota Statutes 2016, section 25.32, is amended to read:

25.32 COMMISSIONER'S DUTIES.

The commissioner shall administer sections 25.31 to 25.43 ~~shall be administered by the commissioner.~~

Sec. 18. Minnesota Statutes 2016, section 25.33, subdivision 5, is amended to read:

Subd. 5. **Commercial feed.** "Commercial feed" means materials or combinations of materials that are distributed or intended to be distributed for use as feed or for mixing in feed, including feed for aquatic animals, unless the materials are specifically exempted. Unmixed whole seeds and physically altered entire unmixed seeds, as identified in the United States grain standards, if the whole or physically altered seeds are not chemically changed, are not labeled as a feed or for use as feed, or are not adulterated within the meaning of section 25.37, paragraph (a), are exempt. The commissioner by rule may exempt from this definition, or from specific provisions of sections 25.31 to 25.43, commodities such as hay, straw, stover, silage, cobs, husks, hulls, and individual

chemical compounds or substances if those commodities, compounds, or substances are not intermixed with other materials, are not labeled as a feed or for use as feed, and are not adulterated within the meaning of section 25.37, paragraph (a).

Sec. 19. Minnesota Statutes 2016, section 25.33, subdivision 10, is amended to read:

Subd. 10. **Manufacture.** "Manufacture" means to grind, mix ~~or~~, blend, ~~or further~~ process, package, or label a commercial feed for distribution.

Sec. 20. Minnesota Statutes 2016, section 25.33, subdivision 21, is amended to read:

Subd. 21. **Commissioner.** "Commissioner" means the commissioner of agriculture or ~~a designated representative~~ the commissioner's agent.

Sec. 21. Minnesota Statutes 2016, section 25.341, subdivision 1, is amended to read:

Subdivision 1. **Requirement.** Before a person may: (1) manufacture a commercial feed in the state; (2) distribute a commercial feed in or into the state; or (3) have the person's name appear on the label of a commercial feed as guarantor, the person must have a commercial feed license for each guarantor, or manufacturing or distributing facility. A person who makes only retail sales of commercial feed, guaranteed by another, is not required to obtain a license.

Sec. 22. Minnesota Statutes 2016, section 25.341, subdivision 2, is amended to read:

Subd. 2. **Application; fee; term.** A person who is required to have a commercial feed license ~~shall~~ must submit an application on a form provided or approved by the commissioner accompanied by ~~a~~ an application fee of \$75 paid to the commissioner for each location. A license is not transferable from one person to another, from one ownership to another, or from one location to another. The license year is the calendar year. A license expires on December 31 of the year for which it is issued, except that a license is valid ~~through January 31 of the next year or~~ until the issuance of the renewal license, ~~whichever comes first~~, if the licensee has filed a renewal application ~~with the commissioner that has been received by the commissioner on or before December 31 of the year for which the current license was issued, or postmarked on or before December 31 of the year for which the current license was issued.~~ Any person who is required to have, but fails to obtain a license or a licensee who fails to comply with license renewal requirements, ~~shall~~ must pay a \$100 late fee in addition to the license fee.

Sec. 23. Minnesota Statutes 2016, section 25.35, is amended to read:

25.35 LABELING.

(a) A commercial feed, except a customer formula feed, must be accompanied by a label bearing the following information:

(1) the product name and the brand name, if any, under which the commercial feed is distributed;

(2) the guaranteed analysis, stated in terms the commissioner requires by rule, to advise the user of the composition of the feed or to support claims made in the labeling. The substances or elements must be determinable by laboratory methods such as the methods published by the AOAC International or other generally recognized methods;

(3) the common or usual name of each ingredient used in the manufacture of the commercial feed. The commissioner may by rule permit the use of a collective term for a group of ingredients which perform a similar function, or may exempt commercial feeds or any group of commercial feeds from this requirement on finding that an ingredient statement is not required in the interest of consumers;

(4) the name and principal mailing address of the manufacturer or the person responsible for distributing the commercial feed;

(5) adequate directions for use for all commercial feeds containing drugs and for such other feeds as the commissioner may require by rule as necessary for their safe and effective use;

(6) precautionary statements which the commissioner determines by rule are necessary for the safe and effective use of the commercial feed; and

(7) a quantity statement.

(b) A customer formula feed must be accompanied by a label, invoice, delivery slip, or other shipping document bearing the following information:

(1) name and address of the manufacturer;

(2) name and address of the purchaser;

(3) date of delivery;

(4) the product name and either (i) the quantity of each commercial feed and each other ingredient used in the mixture, or (ii) a guaranteed analysis and list of ingredients in paragraph (a), clauses (2) and (3);

(5) adequate directions for use for all customer formula feeds containing drugs and for other feeds the commissioner requires by rule as necessary for their safe and effective use;

(6) precautionary statements the commissioner determines by rule are necessary for the safe and effective use of the customer formula feed;

(7) if a product containing a drug is used:

(i) the purpose of the medication (claim statement); and

(ii) the established name of each active drug ingredient and the level of each drug used in the final mixture expressed in a manner required by the commissioner by rule; ~~and~~

(8) for a customer formula feed for which the formula is developed by someone other than the manufacturer, a disclaimer may be included on the label stating "THIS FEED IS A CUSTOMER FORMULA FEED DEVELOPED BY SOMEONE OTHER THAN THE MANUFACTURER. THE MANUFACTURER DOES NOT CLAIM, REPRESENT, WARRANT, OR GUARANTEE, AND IS NOT RESPONSIBLE FOR THE NUTRITIONAL ADEQUACY OF THIS FEED OR THE NUTRITIONAL SUITABILITY OF THIS FEED FOR ITS INTENDED PURPOSE."; and

(9) a quantity statement.

(c) The manufacturer of a customer formula feed the formula of which is developed by someone other than the manufacturer is not responsible or liable for the nutritional adequacy or the nutritional suitability of the feed for its intended purpose if: (1) the manufacturer does not make a claim of nutritional adequacy for the customer formula feed and does not make a claim for nutritional suitability of the feed for its intended purpose; and (2) the manufacturer includes the disclaimer in paragraph (b), clause (8). A person other than the manufacturer who develops or recommends a formula for a customer formula feed is responsible for providing to the manufacturer of the feed the appropriate labeling information and for providing the appropriate use information to the feed manufacturer.

Sec. 24. Minnesota Statutes 2016, section 25.371, subdivision 2, is amended to read:

Subd. 2. **Certificate application.** (a) A person may apply to the commissioner for a good manufacturing practices certificate for commercial feed and feed ingredients. Application for good manufacturing practices certificates must be made on forms provided or approved by the commissioner. The commissioner shall conduct inspections of facilities for persons that have applied for or intend to apply for a good manufacturing practices certificate for commercial feed and feed ingredients from the commissioner. The commissioner shall not conduct an inspection under this ~~section~~ subdivision if the applicant has not paid in full the inspection fee for previous inspections. Certificate issuance shall be based on ~~compliance with subdivisions 3 to 14, or~~ United States Food and Drug Administration rules regarding preventive controls for animal feed.

(b) The commissioner may assess a fee for the inspection, service, and work performed in carrying out the issuance of a good manufacturing practices certificate for commercial feed and feed ingredients. The inspection fee must be based on mileage and the cost of inspection.

Sec. 25. Minnesota Statutes 2016, section 25.38, is amended to read:

25.38 PROHIBITED ACTS.

The following acts and causing the following acts in Minnesota are prohibited:

- (1) manufacture or distribution of any commercial feed that is adulterated or misbranded;
- (2) adulteration or misbranding of any commercial feed;
- (3) distribution of agricultural commodities such as whole seed, hay, straw, stover, silage, cobs, husks, and hulls, which are adulterated within the meaning of section 25.37, paragraph (a);
- (4) removal or disposal of a commercial feed in violation of an order under section 25.42;
- (5) failure or refusal to obtain a commercial feed license under section 25.341 ~~or to provide a small package listing under section 25.39; or~~
- (6) failure to pay inspection fees, to register a small package under section 25.39, or to file reports as required by section 25.39.

Sec. 26. Minnesota Statutes 2016, section 25.39, subdivision 1, is amended to read:

Subdivision 1. **Amount of fee.** (a) An inspection fee at the rate of 16 cents per ton must be paid to the commissioner on commercial feeds distributed in this state by the person who first distributes the commercial feed, except that:

- (1) no fee need be paid on:
 - (i) ~~a commercial feed if the payment has been made by a previous distributor; or~~
 - (ii) any feed ingredient in a customer formula feeds if the inspection fee is paid on the commercial feeds which are used as ingredients feed that has been directly furnished by the customer; or
- (2) ~~a Minnesota feed distributor who can substantiate that greater than 50 percent of the distribution of commercial feed is to purchasers outside the state may purchase commercial feeds without payment of the inspection fee under a tonnage fee exemption permit issued by the commissioner~~ no fee need be paid on a first

distribution if made to a qualified buyer who, with approval from the commissioner, is responsible for the fee. Such ~~location-specific~~ license-specific tonnage-fee-exemption permits shall be issued on a calendar year basis to commercial feed ~~distributors~~ licensees who distribute feed or feed ingredients outside the state, and who submit a \$100 nonrefundable application fee and comply with rules adopted by the commissioner relative to record keeping, tonnage of commercial feed distributed in Minnesota, total of all commercial feed tonnage distributed, and all other information which the commissioner may require so as to ensure that proper inspection fee payment has been made.

(b) In the case of pet food or specialty pet food distributed in the state only in packages of ten pounds or less, a ~~listing of distributor must register~~ each product and submit a current label for each product ~~must be submitted~~ annually on forms provided by the commissioner ~~and, accompanied by an annual application fee of \$100 for each product in lieu of the inspection fee.~~ This annual fee ~~is due by July 1~~ must be received by the commissioner on or before June 30 or postmarked on or before June 30. The inspection fee required by paragraph (a) applies to pet food or specialty pet food distributed in packages exceeding ten pounds.

~~(c) In the case of specialty pet food distributed in the state only in packages of ten pounds or less, a listing of each product and a current label for each product must be submitted annually on forms provided by the commissioner and accompanied by an annual fee of \$100 for each product in lieu of the inspection fee. This annual fee is due by July 1. The inspection fee required by paragraph (a) applies to specialty pet food distributed in packages exceeding ten pounds.~~

~~(d)~~ (c) The minimum inspection fee is \$75 per annual reporting period.

Sec. 27. Minnesota Statutes 2016, section 25.39, subdivision 1a, is amended to read:

Subd. 1a. **Containers of ten pounds or less.** A distributor who is subject to the annual fee specified in subdivision 1, paragraph (b) ~~or (c), shall~~ must do the following:

(1) before beginning distribution, ~~file register~~ with the commissioner ~~a listing of the~~ pet and specialty pet foods to be distributed in the state only in containers of ten pounds or less, on forms provided by the commissioner. The ~~listing registration~~ under this clause must be renewed annually ~~on or before July 1~~ on or before June 30 and is the basis for the payment of the annual fee. New products added during the year must be submitted to the commissioner as a supplement to the annual ~~listing registration~~ before distribution; and

(2) if the annual renewal of the ~~listing registration~~ is not received ~~or postmarked on or before July 1~~ on or before June 30 or if an ~~unlisted unregistered~~ product is distributed, pay a late filing fee of \$100 per product in addition to the normal charge for the ~~listing registration~~. The late filing fee under this clause is in addition to any other penalty under this chapter.

Sec. 28. Minnesota Statutes 2016, section 25.39, subdivision 2, is amended to read:

Subd. 2. **Annual statement.** A person who is liable for the payment of a fee under this section ~~shall~~ must file with the commissioner on forms furnished by the commissioner an annual statement setting forth the number of net tons of commercial feeds distributed in this state during the calendar year. The report is due ~~by~~ on or before the 31st of each January following the year of distribution. The inspection fee at the rate specified in subdivision 1 must accompany the statement. For each tonnage report not filed with the commissioner or payment of inspection fees not ~~made on time~~ received by the commissioner on or before January 31 or postmarked on or before January 31, a penalty of ten percent of the amount due, with a minimum penalty of \$10, must be assessed against the license holder, and the amount of fees due, plus penalty, is a debt and may be recovered in a civil action against the license holder. The assessment of this penalty does not prevent the department from taking other actions as provided in this chapter.

Sec. 29. Minnesota Statutes 2016, section 25.39, subdivision 3, is amended to read:

Subd. 3. **Records.** Each person required to pay an inspection fee or to report in accordance with this section ~~shall~~ must keep records, as determined by the commissioner, accurately detailing the tonnage of commercial feed distributed in this state. Records upon which the tonnage is based must be maintained for six years and made available to the commissioner for inspection, copying, and audit. A person who is located outside of this state must maintain and make available records required by this section in this state or pay all costs incurred in auditing of the records at another location. Unless required for the enforcement of this chapter, the information in the records required by this subdivision is private or nonpublic.

Sec. 30. Minnesota Statutes 2016, section 25.40, subdivision 2, is amended to read:

Subd. 2. **Notice; public comment.** Before the issuance, amendment, or repeal of any rule authorized by sections 25.31 to 25.43, the commissioner shall publish the proposed rule, amendment, or notice to repeal an existing rule in a manner reasonably calculated to give interested parties, including all current license holders, adequate notice and shall afford all interested persons an opportunity to present their views orally or in writing, within a reasonable period of time. After consideration of all views presented by interested persons, the commissioner shall take appropriate action to issue the proposed rule or to amend or repeal an existing rule. The provisions of this subdivision notwithstanding, if the commissioner, pursuant to the authority of sections 25.31 to 25.43, adopts the official definitions of feed ingredients ~~or~~ and official feed terms as adopted by the Association of American Feed Control Officials, any amendment or modification adopted by the association ~~shall be~~ is adopted automatically under sections 25.31 to 25.43 without regard to the publication of the notice required by this subdivision unless the commissioner, by order specifically determines that the amendment or modification shall not be adopted.

Sec. 31. Minnesota Statutes 2016, section 25.41, subdivision 1, is amended to read:

Subdivision 1. **Authorization; limitation.** For the purpose of enforcement of sections 25.31 to 25.43, and associated rules, in order to determine whether the provisions have been complied with, including whether or not any operations may be subject to such provisions, officers or employees duly designated by the commissioner or the commissioner's agent, upon presenting appropriate credentials, and a written notice to the owner, operator, or agent in charge, are authorized:

(1) to enter, during normal business hours, any factory, warehouse, or establishment within the state in which commercial feeds are manufactured, processed, packed, or held for distribution, or to enter any vehicle being used to transport or hold such feeds; and

(2) to inspect at reasonable times, within reasonable limits, and in a reasonable manner, such factory, warehouse, establishment or vehicle and all pertinent equipment, finished and unfinished materials, containers, and labeling therein. The inspection may include the verification of records and production and control procedures related to the manufacture, distribution, storage, handling, or disposal of commercial feed as may be necessary to determine compliance with this chapter.

Sec. 32. Minnesota Statutes 2016, section 25.41, subdivision 2, is amended to read:

Subd. 2. **Notification; promptness.** A separate notice ~~shall~~ must be given for each inspection, but a notice ~~shall~~ is not be required for each entry made during the period covered by the inspection. Each inspection ~~shall be commenced~~ must begin and be completed with reasonable promptness. Upon completion of the inspection, the owner, operator, or agent in charge of the facility or vehicle ~~shall~~ must be ~~so~~ notified.

Sec. 33. Minnesota Statutes 2016, section 25.41, subdivision 3, is amended to read:

Subd. 3. **Receipt for samples.** If the ~~officer or employee~~ commissioner or the commissioner's agent making such inspection of a factory, warehouse, or other establishment has obtained a sample in the course of the inspection, upon completion of the inspection and prior to leaving the premises the ~~officer or employee~~ commissioner or the commissioner's agent shall give to the owner, operator, or agent in charge a receipt describing the samples obtained.

Sec. 34. Minnesota Statutes 2016, section 25.41, subdivision 5, is amended to read:

Subd. 5. **Entry of premises.** For the purpose of the enforcement of sections 25.31 to 25.43, the commissioner or the commissioner's ~~duly designated~~ agent is authorized to enter upon any public or private premises including any vehicle of transport during regular business hours to have access to, and to obtain samples, and to examine and copy records relating to distribution of commercial feeds.

Sec. 35. Minnesota Statutes 2016, section 25.41, subdivision 7a, is amended to read:

Subd. 7a. **Manufacturer's report of investigation.** If the inspection and analysis of an official sample indicates that a commercial feed has been adulterated or misbranded, the person whose name appears on the label of the indicated commercial feed as guarantor ~~shall~~ must provide a manufacturer's report of investigation to the commissioner within 30 days following the receipt of the official analysis.

Sec. 36. Minnesota Statutes 2016, section 25.42, is amended to read:

25.42 DETAINED COMMERCIAL FEEDS.

Subdivision 1. **Withdrawal from distribution order.** When the commissioner or the commissioner's ~~authorized~~ agent has reasonable cause to believe any lot of commercial feed is being distributed in violation of any of the provisions of sections 25.31 to 25.43 or of any of the prescribed rules under sections 25.31 to 25.43, the commissioner or the commissioner's agent may issue and enforce a written or printed "withdrawal from distribution" order, warning the distributor not to dispose of the lot of commercial feed in any manner until written permission is given by the commissioner or the court. The commissioner shall release the lot of withdrawn commercial feed ~~so withdrawn~~ when ~~said provisions and~~ sections 25.31 to 25.43 and associated rules have been complied with. If compliance is not obtained within 30 days, the commissioner may begin, or upon request of the distributor or license holder shall begin, proceedings for condemnation.

Subd. 2. **Seizure; disposition.** Any lot of commercial feed not in compliance with ~~said provisions and~~ sections 25.31 to 25.43 and associated rules ~~shall be~~ is subject to seizure on complaint of the commissioner to the district court of the county in which ~~said the~~ commercial feed is located. In the event the court finds the commercial feed to be in violation of sections 25.31 to 25.43 and orders the condemnation of ~~said the~~ commercial feed, ~~it shall the~~ commercial feed must be disposed of in ~~any a~~ manner consistent with the quality of the commercial feed and the laws of the state; provided, that in no instance, shall the disposition of ~~said the~~ commercial feed be ordered by the court without first giving the claimant an opportunity to apply to the court for release of ~~said the~~ commercial feed or for permission to process or relabel ~~said the~~ commercial feed to bring it into compliance with sections 25.31 to 25.43.

Sec. 37. Minnesota Statutes 2016, section 27.04, is amended to read:

27.04 APPLICATION FOR LICENSE.

Subdivision 1. **Issuance.** The commissioner shall issue a wholesale produce dealer's license to engage in the business of a dealer at wholesale to persons submitting an application, paying the prescribed fee, and complying with the conditions in this section.

Subd. 2. **Application contents.** (a) The application must be in writing, accompanied by the prescribed fee, and state:

- (1) the place or places where the applicant intends to carry on the business for which the license is desired;
- (2) the estimated amount of business to be done monthly;
- (3) the amount of business done during the preceding year, if any;
- (4) the full names of the persons constituting the firm for a partnership, and for a corporation the names of the officers of the corporation and where incorporated; and
- ~~(5) a financial statement showing the value and character of the assets and the amount of liabilities of the applicant;~~
- ~~(6) the income and expenses for the most recent year;~~
- ~~(7) the names and addresses of all shareholders who own at least five percent of a corporate applicant's shares of stock;~~
- ~~(8) whether the applicant or any of its officers, partners, or agents have been involved in any litigation relating to the business of a wholesale produce dealer in the previous five years; and~~
- ~~(9)~~ (5) any other information relevant to the conduct of its business as a wholesale produce dealer in the previous five years, as the commissioner may require.

(b) If a contract is used in a transaction, a copy of the contract must also be filed with the commissioner.

(c) Financial data required of an applicant under this section is classified as private data with regard to data on individuals and as nonpublic data with regard to data not on individuals under section 13.02.

Subd. 3. **Filing.** Applications shall be filed annually.

Sec. 38. Minnesota Statutes 2016, section 28A.03, is amended by adding a subdivision to read:

Subd. 11. **Regularly engaged.** "Regularly engaged" means any person who operates a food business over a period of time at uniform, consistent intervals.

Sec. 39. Minnesota Statutes 2016, section 28A.21, subdivision 6, is amended to read:

Subd. 6. **Expiration.** This section expires June 30, ~~2017~~ 2027.

Sec. 40. Minnesota Statutes 2016, section 31A.02, subdivision 4, is amended to read:

Subd. 4. **Animals.** "Animals" means cattle, swine, sheep, goats, poultry, farmed Cervidae, as defined in section 35.153, subdivision 3, llamas, as defined in section 17.455, subdivision 2, Ratitae, as defined in section 17.453, subdivision 3, horses, equines, and other ~~large~~ domesticated animals.

Sec. 41. Minnesota Statutes 2016, section 32C.02, subdivision 2, is amended to read:

Subd. 2. **Facility design; development and operation.** The authority may enter into management contracts, lease agreements, or both, with a Minnesota nonprofit corporation to design, develop, and operate a facility to further the purposes of this chapter at the site determined by the board and on the terms that the board finds desirable. The board must identify ~~and acquire~~ a site that will accommodate, where practical, the following facilities and activities:

- (1) housing for bred and lactating animals;
- (2) milking parlor;
- (3) automatic milking systems;
- (4) cross-ventilated and natural-ventilated housing;
- (5) transition cow housing;
- (6) special needs and hospital housing;
- (7) classrooms and a conference room;
- (8) dairy processing facility with retail;
- (9) visitors' center;
- (10) student housing;
- (11) laboratory facilities;
- (12) space to accommodate installation of an anaerobic digester system to research energy production from feedstock produced on site or from off-site sources; and
- (13) space for feed storage to allow for research capabilities at the facility.

Notwithstanding the provisions of section 32C.01, subdivision 7, relating to conflict of interest, a director or officer of the authority who is also a director, officer, or member of a nonprofit corporation with which the authority enters into management contracts or lease agreements may participate in and vote on the decision of the board as to the terms and conditions of management contracts or lease agreements between the Minnesota nonprofit corporation and the authority.

Sec. 42. Minnesota Statutes 2016, section 32C.06, is amended to read:

32C.06 EXPIRATION.

If by August 1, ~~2017~~ 2020, the authority board has not identified ~~and acquired~~ a site for a facility, as provided in section 32C.02, subdivision 2, sections 32C.01 to 32C.05 and this section are repealed on that date. The Department of Agriculture shall notify the revisor of statutes if the repealer under this section becomes effective.

Sec. 43. Minnesota Statutes 2016, section 41B.03, subdivision 2, is amended to read:

Subd. 2. **Eligibility for restructured loan.** In addition to the eligibility requirements of subdivision 1, a prospective borrower for a restructured loan must:

(1) have received at least 50 percent of average annual gross income from farming for the past three years or, for homesteaded property, received at least 40 percent of average gross income from farming in the past three years, and farming must be the principal occupation of the borrower;

(2) have projected annual expenses, including operating expenses, family living, and interest expenses after the restructuring, that do not exceed 95 percent of the borrower's projected annual income considering prior production history and projected prices for farm production, except that the authority may reduce the 95 percent requirement if it finds that other significant factors in the loan application support the making of the loan;

(3) demonstrate substantial difficulty in meeting projected annual expenses without restructuring the loan; and

(4) have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than ~~\$660,000 in 2004~~ \$1,700,000 in 2017 and an amount in subsequent years which is adjusted for inflation by multiplying that amount by the cumulative inflation rate as determined by the United States All-Items Consumer Price Index.

Sec. 44. Minnesota Statutes 2016, section 41B.03, subdivision 3, is amended to read:

Subd. 3. **Eligibility for beginning farmer loans.** (a) In addition to the requirements under subdivision 1, a prospective borrower for a beginning farm loan in which the authority holds an interest, must:

(1) have sufficient education, training, or experience in the type of farming for which the loan is desired;

(2) have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than ~~\$350,000 in 2004~~ \$800,000 in 2017 and an amount in subsequent years which is adjusted for inflation by multiplying that amount by the cumulative inflation rate as determined by the United States All-Items Consumer Price Index;

(3) demonstrate a need for the loan;

(4) demonstrate an ability to repay the loan;

(5) certify that the agricultural land to be purchased will be used by the borrower for agricultural purposes;

(6) certify that farming will be the principal occupation of the borrower;

(7) agree to participate in a farm management program approved by the commissioner of agriculture for at least the first three years of the loan, if an approved program is available within 45 miles from the borrower's residence. The commissioner may waive this requirement for any of the programs administered by the authority if the participant requests a waiver and has either a four-year degree in an agricultural program or certification as an adult farm management instructor; and

(8) agree to file an approved soil and water conservation plan with the Natural Resources Conservation Service office in the county where the land is located.

(b) If a borrower fails to participate under paragraph (a), clause (7), the borrower is subject to penalty as determined by the authority.

Sec. 45. Minnesota Statutes 2016, section 41B.043, subdivision 5, is amended to read:

Subd. 5. **Total net worth limit.** A prospective borrower for an agricultural improvement loan in which the authority holds an interest must have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than ~~\$350,000 in 2004~~ \$800,000 in 2017 and an amount in subsequent years which is adjusted for inflation by multiplying that amount by the cumulative inflation rate as determined by the United States All-Items Consumer Price Index.

Sec. 46. Minnesota Statutes 2016, section 41B.045, subdivision 2, is amended to read:

Subd. 2. **Loan participation.** The authority may participate in a livestock expansion loan with an eligible lender to a livestock farmer who meets the requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who are actively engaged in a livestock operation. A prospective borrower must have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than ~~\$660,000 in 2004~~ \$1,700,000 in 2017 and an amount in subsequent years which is adjusted for inflation by multiplying that amount by the cumulative inflation rate as determined by the United States All-Items Consumer Price Index.

Participation is limited to 45 percent of the principal amount of the loan or \$525,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different from the interest rates and repayment terms of the lender's retained portion of the loan.

Sec. 47. Minnesota Statutes 2016, section 41C.02, subdivision 12, is amended to read:

Subd. 12. **Low or moderate net worth.** "Low or moderate net worth" means:

(1) for an individual, an aggregate net worth of the individual and the individual's spouse and minor children of less than ~~\$350,000 in 2004~~ \$800,000 in 2017 and an amount in subsequent years which is adjusted for inflation by multiplying that amount by the cumulative inflation rate as determined by the United States All-Items Consumer Price Index; or

(2) for a partnership, an aggregate net worth of all partners, including each partner's net capital in the partnership, and each partner's spouse and minor children of less than twice the amount set for an individual in clause (1). However, the aggregate net worth of each partner and that partner's spouse and minor children may not exceed the amount set for an individual in clause (1).

Sec. 48. Minnesota Statutes 2016, section 116V.01, subdivision 2, is amended to read:

Subd. 2. **Board of directors.** The board of directors of the Agricultural Utilization Research Institute is comprised of:

(1) the chairs of the senate and the house of representatives standing committees with jurisdiction over agriculture finance or the chair's designee;

(2) two representatives of statewide farm organizations;

(3) two representatives of agribusiness; ~~and~~

(4) three representatives of the commodity promotion councils; and

(5) two at-large representatives.

Sec. 49. Minnesota Statutes 2016, section 116V.01, subdivision 3, is amended to read:

Subd. 3. **Duties.** (a) The Agricultural Utilization Research Institute shall:

- (1) identify development opportunities for agricultural products;
 - (2) implement a program that identifies techniques to meet those opportunities;
 - (3) monitor and coordinate research among the public and private organizations and individuals specifically addressing procedures to transfer new technology to businesses, farmers, and individuals;
 - ~~(4) provide research grants to public and private educational institutions and other organizations that are undertaking basic and applied research to promote the development of emerging agricultural industries;~~
 - ~~(5)~~ assist organizations and individuals with market analysis and product marketing implementations;
 - ~~(6)~~ (5) to the extent possible earn and receive revenue from contracts, patents, licenses, royalties, grants, fees-for-service, and memberships;
 - ~~(7)~~ (6) work with the Department of Agriculture, the United States Department of Agriculture, the Department of Employment and Economic Development, and other agencies to maximize marketing opportunities locally, nationally, and internationally; and
 - ~~(8)~~ (7) leverage available funds from federal, state, and private sources to develop new markets and value added opportunities for Minnesota agricultural products.
- (b) The Agricultural Utilization Research Institute board of directors shall have the sole approval authority for establishing agricultural utilization research priorities, requests for proposals to meet those priorities, awarding of grants, hiring and direction of personnel, and other expenditures of funds consistent with the adopted and approved mission and goals of the Agricultural Utilization Research Institute. The actions and expenditures of the Agricultural Utilization Research Institute are subject to audit. The institute shall annually report by February 1 to the senate and house of representatives standing committees with jurisdiction over agricultural policy and funding. The report must list projects initiated, progress on projects, and financial information relating to expenditures, income from other sources, and other information to allow the committees to evaluate the effectiveness of the institute's activities.
- (c) The Agricultural Utilization Research Institute shall convene a Renewable Energy Roundtable, the purpose of which shall be to further the state's leadership on bioenergy issues.
- (i) The Renewable Energy Roundtable shall consist of one representative appointed by the commissioner of the Minnesota Department of Agriculture, one appointed by the commissioner of the Minnesota Department of Commerce, one appointed by the chancellor of the Minnesota State Colleges and Universities, and one appointed by the president of the University of Minnesota. The appointees must have expertise relevant to bioenergy.
 - (ii) The board shall oversee the activities and shall provide staff to assist the Renewable Energy Roundtable.
 - (iii) The Renewable Energy Roundtable will engage professionals and experts from private, government, academic, and nonprofit entities across the state to identify bioenergy opportunities and collaborate with a broad group of interested parties to identify future alternative courses of action the state can take to sustain a long-term competitive position in renewable energy through the year 2025. The Renewable Energy Roundtable will consult, advise, and review projects and initiatives funded by the state as directed by the administration and the legislature.

Sec. 50. Minnesota Statutes 2016, section 116V.01, subdivision 4, is amended to read:

Subd. 4. **Staff.** The board of directors shall hire ~~staff~~ an executive director for the Agricultural Utilization Research Institute. Persons employed by the Agricultural Utilization Research Institute are not state employees and may participate in state retirement, deferred compensation, insurance, or other plans that apply to state employees generally and are subject to regulation by the state Campaign Finance and Public Disclosure Board.

Sec. 51. Minnesota Statutes 2016, section 116V.01, subdivision 7, is amended to read:

Subd. 7. **Bylaws.** The board of directors shall adopt bylaws necessary for the conduct of the business of the institute consistent with this section. The corporation must publish bylaws and amendments to the bylaws ~~in the State Register on the board's Web site.~~

Sec. 52. Minnesota Statutes 2016, section 116V.01, subdivision 10, is amended to read:

Subd. 10. **Meetings.** The board of directors shall meet at least twice each year and may hold additional meetings upon giving notice in accordance with the bylaws of the institute. Board meetings are subject to chapter 13D, except section 13D.01, subdivision 6, as it pertains to financial information, business plans, income and expense projections, customer lists, market and feasibility studies, and trade secret information as defined by section 13.37, subdivision 1, paragraph (b). For the purposes of section 13D.015, the board of directors is a state board.

Sec. 53. Minnesota Statutes 2016, section 116V.01, subdivision 11, is amended to read:

Subd. 11. **Conflict of interest.** A director, employee, or officer of the institute may not ~~participate in~~ advocate for or vote on a decision of the board relating to an organization in which the director, employee, or officer has either a direct or indirect financial interest.

Sec. 54. Minnesota Statutes 2016, section 116V.01, subdivision 13, is amended to read:

Subd. 13. **Funds.** The institute may accept and use gifts, grants, or contributions from any source. Unless otherwise restricted by the terms of a gift or bequest, the board may sell, exchange, or otherwise dispose of and invest or reinvest the money, securities, or other property given or bequested to it. The principal of these funds, the income from them, and all other revenues received by it from any nonstate source ~~must be placed in the depositories the board determines and is~~ are subject to expenditure for the board's purposes. Receipts and expenditures of more than ~~\$25,000~~ \$50,000 must be approved by the ~~full~~ board.

Sec. 55. Minnesota Statutes 2016, section 116V.01, subdivision 14, is amended to read:

Subd. 14. **Accounts; audits.** The institute may establish funds and accounts that it finds convenient. The board shall provide for and pay the cost of an ~~independent annual~~ audit of its official books and records by the legislative auditor subject to sections 3.971 and 3.972. In addition, the board shall provide and pay for the cost of an annual financial audit of its official books and records by a CPA firm licensed under chapter 326A. A copy of this the annual financial audit shall be filed with the ~~secretary of state~~ Office of the Attorney General, Charities Division.

For purposes of this section, "institute" means the Agricultural Utilization Research Institute established under this section and "board of directors" means the board of directors of the Agricultural Utilization Research Institute.

Sec. 56. Minnesota Statutes 2016, section 223.17, subdivision 8, is amended to read:

Subd. 8. **Bond disbursement.** (a) The bond required under subdivision 4 shall provide for payment of loss caused by the grain buyer's failure to pay, upon the owner's demand, the purchase price of grain sold to the grain buyer in the manner provided by subdivision 5, including loss caused by failure to pay within the time required. The bond shall be conditioned upon the grain buyer being duly licensed as provided herein.

(b) The commissioner shall promptly determine the validity of all claims filed and notify the claimants of the determination. An aggrieved party may appeal the commissioner's determination by requesting, within 15 days, that the commissioner initiate a contested case proceeding. In the absence of such a request, or following the issuance of a final order in a contested case, the surety company shall issue payment promptly to those claimants entitled to payment. The commissioner may apply to the district court for an order appointing a trustee or receiver to manage and supervise the operations of the grain buyer in default. The commissioner may participate in any resulting court proceeding as an interested party.

(c) If a grain buyer has become liable to more than one producer by reason of breaches of the conditions of the bond and the amount of the bond is insufficient to pay the entire liability to all producers entitled to the protection of the bond, the proceeds of the bond shall be apportioned among the bona fide claimants.

(d) The bond shall not be cumulative from one licensing period to the next. The maximum liability of the bond shall be its face value for the licensing period.

(e) The bond disbursement shall occur 200 days from the date the commissioner publishes a public notice of a claim. At the end of this time period, the commissioner shall initiate bond payments on all valid claims received by the commissioner.

Sec. 57. Minnesota Statutes 2016, section 232.22, subdivision 7, is amended to read:

Subd. 7. **Bond disbursement.** (a) The bond of a public grain warehouse operator must be conditioned that the public grain warehouse operator issuing a grain warehouse receipt is liable to the depositor for the delivery of the kind, grade and net quantity of grain called for by the receipt.

(b) Upon notification of default, the commissioner shall determine the validity of all claims and notify all parties having filed claims. Any aggrieved party may appeal the commissioner's determination by requesting, within 15 days, that the commissioner initiate a contested case proceeding. In the absence of such a request, or following the issuance of a final order in a contested case, the surety company shall issue payment to those claimants entitled to payment. If the commissioner determines it is necessary, the commissioner may apply to the district court for an order appointing a trustee or receiver to manage and supervise the operations of the grain warehouse operator in default. The commissioner may participate in any resulting court proceeding as an interested party.

(c) For the purpose of determining the amount of bond disbursement against all valid claims under a condition one bond, all grain owned or stored in the public grain warehouse shall be sold and the combined proceeds deposited in a special fund. Payment shall be made from the special fund satisfying the valid claims of grain warehouse receipt holders.

(d) If a public grain warehouse operator has become liable to more than one depositor or producer by reason of breaches of the conditions of the bond and the amount of the bond is insufficient to pay, beyond the proceeds of the special fund, the entire liability to all valid claimants, the proceeds of the bond and special fund shall be apportioned among the valid claimants on a pro rata basis.

(e) A bond is not cumulative from one licensing period to the next. The maximum liability of the bond shall be its face value for the licensing period.

(f) The bond disbursement shall occur 200 days from the date the commissioner publishes a public notice of a claim. At the end of this time period, the commissioner shall initiate bond payments on all valid claims received by the department.

Sec. 58. Minnesota Statutes 2016, section 336.9-601, is amended to read:

336.9-601 RIGHTS AFTER DEFAULT; JUDICIAL ENFORCEMENT; CONSIGNOR OR BUYER OF ACCOUNTS, CHATTEL PAPER, PAYMENT INTANGIBLES, OR PROMISSORY NOTES.

(a) **Rights of secured party after default.** After default, a secured party has the rights provided in this part and, except as otherwise provided in section 336.9-602, those provided by agreement of the parties. A secured party:

(1) may reduce a claim to judgment, foreclose, or otherwise enforce the claim, security interest, or agricultural lien by any available judicial procedure; and

(2) if the collateral is documents, may proceed either as to the documents or as to the goods they cover.

(b) **Rights and duties of secured party in possession or control.** A secured party in possession of collateral or control of collateral under section 336.7-106, 336.9-104, 336.9-105, 336.9-106, or 336.9-107 has the rights and duties provided in section 336.9-207.

(c) **Rights cumulative; simultaneous exercise.** The rights under subsections (a) and (b) are cumulative and may be exercised simultaneously.

(d) **Rights of debtor and obligor.** Except as otherwise provided in subsection (g) and section 336.9-605, after default, a debtor and an obligor have the rights provided in this part and by agreement of the parties.

(e) **Lien of levy after judgment.** If a secured party has reduced its claim to judgment, the lien of any levy that may be made upon the collateral by virtue of an execution based upon the judgment relates back to the earliest of:

(1) the date of perfection of the security interest or agricultural lien in the collateral;

(2) the date of filing a financing statement covering the collateral; or

(3) any date specified in a statute under which the agricultural lien was created.

(f) **Execution sale.** A sale pursuant to an execution is a foreclosure of the security interest or agricultural lien by judicial procedure within the meaning of this section. A secured party may purchase at the sale and thereafter hold the collateral free of any other requirements of this article.

(g) **Consignor or buyer of certain rights to payment.** Except as otherwise provided in section 336.9-607(c), this part imposes no duties upon a secured party that is a consignor or is a buyer of accounts, chattel paper, payment intangibles, or promissory notes.

(h) **Security interest in collateral that is agricultural property; enforcement.** A person may not begin to enforce a security interest in collateral that is agricultural property subject to sections 583.20 to 583.32 that has secured a debt of more than ~~\$5,000~~ the amount provided in section 583.24, subdivision 5, unless: a mediation notice under subsection (i) is served on the debtor after a condition of default has occurred in the security agreement and a copy served on the director of the agricultural extension service; and the debtor and creditor have completed mediation under sections 583.20 to 583.32; or as otherwise allowed under sections 583.20 to 583.32.

(i) **Mediation notice.** A mediation notice under subsection (h) must contain the following notice with the blanks properly filled in.

"TO: ...(Name of Debtor)..."

YOU HAVE DEFAULTED ON THE ...(Debt in Default)... SECURED BY AGRICULTURAL PROPERTY DESCRIBED AS ...(Reasonable Description of Agricultural Property Collateral). THE AMOUNT OF THE OUTSTANDING DEBT IS ...(Amount of Debt)...

AS A SECURED PARTY, ...(Name of Secured Party)... INTENDS TO ENFORCE THE SECURITY AGREEMENT AGAINST THE AGRICULTURAL PROPERTY DESCRIBED ABOVE BY REPOSSESSING, FORECLOSING ON, OR OBTAINING A COURT JUDGMENT AGAINST THE PROPERTY.

YOU HAVE THE RIGHT TO HAVE THE DEBT REVIEWED FOR MEDIATION. IF YOU REQUEST MEDIATION, A DEBT THAT IS IN DEFAULT WILL BE MEDIATED ONLY ONCE. IF YOU DO NOT REQUEST MEDIATION, THIS DEBT WILL NOT BE SUBJECT TO FUTURE MEDIATION IF THE SECURED PARTY ENFORCES THE DEBT.

IF YOU PARTICIPATE IN MEDIATION, THE DIRECTOR OF THE AGRICULTURAL EXTENSION SERVICE WILL PROVIDE AN ORIENTATION MEETING AND A FINANCIAL ANALYST TO HELP YOU TO PREPARE FINANCIAL INFORMATION. IF YOU DECIDE TO PARTICIPATE IN MEDIATION, IT WILL BE TO YOUR ADVANTAGE TO ASSEMBLE YOUR FARM FINANCE AND OPERATION RECORDS AND TO CONTACT A COUNTY EXTENSION OFFICE AS SOON AS POSSIBLE. MEDIATION WILL ATTEMPT TO ARRIVE AT AN AGREEMENT FOR HANDLING FUTURE FINANCIAL RELATIONS.

TO HAVE THE DEBT REVIEWED FOR MEDIATION YOU MUST FILE A MEDIATION REQUEST WITH THE DIRECTOR WITHIN 14 DAYS AFTER YOU RECEIVE THIS NOTICE. THE MEDIATION REQUEST FORM IS AVAILABLE AT ANY COUNTY RECORDER'S OR COUNTY EXTENSION OFFICE.

FROM: ...(Name and Address of Secured Party)..."

EFFECTIVE DATE. This section is effective August 1, 2017, and applies to debt subject to the Farmer-Lender Mediation Act that is initiated on or after that date.

Sec. 59. Minnesota Statutes 2016, section 550.365, subdivision 1, is amended to read:

Subdivision 1. **Requirement.** A person may not attach, execute on, levy on, or seize agricultural property subject to sections 583.20 to 583.32 that has secured a debt of more than ~~\$5,000~~ the amount provided in section 583.24, subdivision 5, unless: (1) a mediation notice is served on the judgment debtor and a copy served on the director and the debtor and creditor have completed mediation under sections 583.20 to 583.32; or (2) as otherwise allowed under sections 583.20 to 583.32.

EFFECTIVE DATE. This section is effective August 1, 2017, and applies to debt subject to the Farmer-Lender Mediation Act that is initiated on or after that date.

Sec. 60. Minnesota Statutes 2016, section 559.209, subdivision 1, is amended to read:

Subdivision 1. **Requirement.** A person may not begin to terminate a contract for deed under section 559.21 to purchase agricultural property subject to sections 583.20 to 583.32 for a remaining balance on the contract of more than ~~\$5,000~~ the amount provided in section 583.24, subdivision 5, unless: (1) a mediation notice is served on the contract for deed purchaser after a default has occurred under the contract and a copy served on the director and the contract for deed vendor and purchaser have completed mediation under sections 583.20 to 583.32; or (2) as otherwise allowed under sections 583.20 to 583.32.

EFFECTIVE DATE. This section is effective August 1, 2017, and applies to debt subject to the Farmer-Lender Mediation Act that is initiated on or after that date.

Sec. 61. Minnesota Statutes 2016, section 582.039, subdivision 1, is amended to read:

Subdivision 1. **Requirement.** A person may not begin a proceeding under this chapter or chapter 580 to foreclose a mortgage on agricultural property subject to sections 583.20 to 583.32 that has a secured debt of more than ~~\$5,000~~ the amount provided in section 583.24, subdivision 5, unless: (1) a mediation notice is served on the mortgagor after a default has occurred in the mortgage and a copy is served on the director and the mortgagor and mortgagee have completed mediation under sections 583.20 to 583.32; or (2) as otherwise allowed under sections 583.20 to 583.32.

EFFECTIVE DATE. This section is effective August 1, 2017, and applies to debt subject to the Farmer-Lender Mediation Act that is initiated on or after that date.

Sec. 62. Minnesota Statutes 2016, section 583.215, is amended to read:

583.215 EXPIRATION.

Sections 336.9-601, subsections (h) and (i); 550.365; 559.209; 582.039; and 583.20 to 583.32, expire June 30, ~~2018~~ 2022.

Sec. 63. Minnesota Statutes 2016, section 583.24, subdivision 4, is amended to read:

Subd. 4. **Debts.** The Farmer-Lender Mediation Act does not apply to a debt:

(1) for which a proof of claim form has been filed in bankruptcy by a creditor or that was listed as a scheduled debt, of a debtor who has filed a petition in bankruptcy after July 1, 1987, under United States Code, title 11, chapter 7, 11, 12, or 13;

(2) if the debt was in default when the creditor received a mediation proceeding notice under the Farmer-Lender Mediation Act and the creditor filed a claim form, the debt was mediated during the mediation period under section 583.26, subdivision 8, and (i) the mediation was unresolved; or (ii) a mediation agreement with respect to that debt was signed;

(3) for which the creditor has served a mediation notice, the debtor has failed to make a timely request for mediation, and within 60 days after the debtor failed to make a timely request the creditor began a proceeding to enforce the debt against the agricultural property of the debtor;

(4) for which a creditor has received a mediation proceeding notice and the creditor and debtor have restructured the debt and have signed a separate mediation agreement with respect to that debt; ~~or~~

(5) for which there is a lien for rental value of farm machinery under section 514.661 ~~;~~ or

(6) that is a new line of credit, loan, or other debt extended by a creditor to the debtor as a result of a mediation conducted pursuant to the Farmer-Lender Mediation Act. However, this new debt becomes subject to the Farmer-Lender Mediation Act two years after the mediation from which the new debt originated ends, as evidenced by the date on the termination statement issued by the mediator under section 583.26, subdivision 10.

EFFECTIVE DATE. This section is effective August 1, 2017, and applies to debt subject to the Farmer-Lender Mediation Act that is initiated on or after that date.

Sec. 64. Minnesota Statutes 2016, section 583.24, is amended by adding a subdivision to read:

Subd. 5. Minimum eligible debt amount. The minimum eligible debt amount is \$15,000. The director shall adjust the minimum eligible debt amount for inflation in 2022 and every five years thereafter using the United States Department of Agriculture's Index of the Cost of Production.

EFFECTIVE DATE. This section is effective August 1, 2017, and applies to debt subject to the Farmer-Lender Mediation Act that is initiated on or after that date.

Sec. 65. Minnesota Statutes 2016, section 583.26, subdivision 2, is amended to read:

Subd. 2. Mediation request. (a) A debtor must file a mediation request form with the director by 14 days after receiving a mediation notice. The debtor must state all known creditors with debts secured for agricultural property and must authorize the director to obtain the debtor's credit report from one or more credit reporting agencies. The mediation request form must include an instruction that the debtor must state all known creditors with debts secured by agricultural property and unsecured creditors that are necessary for the farm operation of the debtor. It is the debtor's discretion as to which unsecured creditors are necessary for the farm operation but the mediation request form must notify the debtor that omission of a significant unsecured creditor could result in a bad-faith determination pursuant to section 583.27, subdivisions 1, paragraph (a), clause (2), and 2. The mediation request must state the date that the notice was served on the debtor. The director shall make mediation request forms available in the county recorder's and county extension office of each county.

(b) Except as provided in section 583.24, subdivision 4, paragraph (a), clause (3), a debtor who fails to file a timely mediation request waives the right to mediation for that debt under the Farmer-Lender Mediation Act. The director shall notify the creditor who served the mediation notice stating that the creditor may proceed against the agricultural property because the debtor has failed to file a mediation request.

(c) If a debtor has not received a mediation notice and is subject to a proceeding of a creditor enforcing a debt against agricultural property under chapter 580 or 581 or sections 336.9-601 to 336.9-628, terminating a contract for deed to purchase agricultural property under section 559.21, or garnishing, levying on, executing on, seizing, or attaching agricultural property, the debtor may file a mediation request with the director. The mediation request form must indicate that the debtor has not received a mediation notice.

EFFECTIVE DATE. This section is effective August 1, 2017, and applies to debt subject to the Farmer-Lender Mediation Act that is initiated on or after that date.

Sec. 66. Minnesota Statutes 2016, section 583.26, subdivision 3, is amended to read:

Subd. 3. Financial analyst and farm advocate. (a) Within three business days after receiving a mediation request, the director shall provide a financial analyst to meet with the debtor and assure that all information relative to the finances of the debtor is prepared ~~for~~ prior to the initial mediation meeting. The financial analyst must review and, if necessary, prepare the debtor's financial records before the initial mediation meeting.

(b) After receiving the mediation notice, the director shall provide the debtor with a list of farm advocates that may be available without charge to assist the debtor and the financial analyst.

EFFECTIVE DATE. This section is effective August 1, 2017, and applies to debt subject to the Farmer-Lender Mediation Act that is initiated on or after that date.

Sec. 67. Minnesota Statutes 2016, section 583.26, subdivision 3a, is amended to read:

Subd. 3a. **Orientation session.** The director shall schedule an orientation session to be held at least five days before the first mediation meeting. The debtor, the financial analyst, and a mediator shall participate in the orientation session. The mediator at the session need not be the one assigned to the mediation proceeding under subdivision 4. Creditors participating in the mediation may participate in the orientation session. At the orientation session, the financial analyst shall review the debtor's financial and inventory records to determine if they are adequate for the mediation and inform the debtor of any inadequacies, and the mediator shall inform the debtor of the requirements of the mediation process including but not limited to the requirement to participate in good faith by addressing, prior to the initial mediation meeting, any inadequacies identified by the financial analyst.

EFFECTIVE DATE. This section is effective August 1, 2017, and applies to debt subject to the Farmer-Lender Mediation Act that is initiated on or after that date.

Sec. 68. Minnesota Statutes 2016, section 583.26, subdivision 4, is amended to read:

Subd. 4. **Mediation proceeding notice.** (a) By ten days after receiving a mediation request, the director shall send: (1) a mediation proceeding notice to the debtor; (2) a mediation proceeding notice to all creditors listed by the debtor in the mediation request and any additional secured creditors identified by the director from the credit report obtained with the debtor's permission under subdivision 2; and (3) a claim form to all secured creditors stated by the debtor or identified by the director.

(b) The mediation proceeding notice must state:

(1) the name and address of the debtor;

(2) that the debtor has requested mediation under the Farmer-Lender Mediation Act;

(3) the time and place for the orientation session;

(4) the time and place for the initial mediation meeting;

(5) a list of the names of three mediators that may be assigned to the proceeding, along with background information on those mediators including biographical information, a summary of previous mediation experience, and the number of agreements signed by parties to previous mediation;

(6) that the debtor and the initiating creditor may each request the director to exclude one mediator by notifying the director within three days after receiving the notice;

(7) that in lieu of having a mediator assigned by the director, the debtor and any one or more of the creditors may agree to select and pay for a professional mediator that is approved by the director;

(8) that the Farmer-Lender Mediation Act prohibits the creditor from beginning or continuing a proceeding to enforce the debt against agricultural property for 90 days after the debtor files a mediation request with the director unless otherwise allowed; and

(9) that the creditor must provide the debtor by the initial mediation meeting with copies of notes and contracts for debts subject to the Farmer-Lender Mediation Act and provide a statement of interest rates on the debts, delinquent payments, unpaid principal and interest balances, the creditor's value of the collateral, and debt restructuring programs available by the creditor.

(c) An initial mediation meeting must be held within 20 days of the notice.

(d) The initiating creditor and the debtor may each request the director to exclude one mediator from the list by sending the director a notice to exclude the mediator within three days after receiving the mediation proceeding notice.

(e) In lieu of the director assigning a mediator, the debtor and any one or more of the creditors may agree to select and pay for a professional mediator for the mediation proceeding. The director must approve the professional mediator before the professional mediator may be assigned to the mediation proceeding. The professional mediator may not be approved unless the professional mediator prepares and signs an affidavit:

(1) disclosing any biases, relationships, or previous associations with the debtor or creditors subject to the mediation proceedings;

(2) stating certifications, training, or qualifications as a professional mediator;

(3) disclosing fees to be charged or a rate schedule of fees for the mediation proceeding; and

(4) affirming to uphold the Farmer-Lender Mediation Act and faithfully discharge the duties of a mediator.

(f) After receiving a mediation proceeding notice, a secured creditor must return a claim form if the debt is not subject to the Farmer-Lender Mediation Act and specify why the debt is not subject to sections 583.20 to 583.32.

EFFECTIVE DATE. This section is effective August 1, 2017, and applies to debt subject to the Farmer-Lender Mediation Act that is initiated on or after that date.

Sec. 69. Minnesota Statutes 2016, section 583.26, subdivision 10, is amended to read:

Subd. 10. **End of mediation.** (a) The mediator shall sign and serve to the parties and the director a termination statement by the end of the time period specified in subdivision 5.

(b) The mediator shall prepare a termination statement that:

(1) acknowledges that mediation has ended and specifies the date on which the mediation ended; and

(2) describes or references agreements, if any, reached between a creditor and the debtor, ~~if any~~, including any new line of credit, loan, or other debt issued by a creditor to the debtor as a result of the mediation; and agreements, if any, reached among creditors, ~~if any~~.

(c) Mediation agreements may be included as part of the termination statement.

EFFECTIVE DATE. This section is effective August 1, 2017, and applies to debt subject to the Farmer-Lender Mediation Act that is initiated on or after that date.

Sec. 70. Minnesota Statutes 2016, section 583.27, subdivision 1, is amended to read:

Subdivision 1. **Obligation of good faith.** (a) The parties must engage in mediation in good faith. Prior to the initial mediation meeting, the director must notify all parties in writing of their obligation to participate in good faith, the consequences of failing to participate in good faith, and that not participating in good faith includes: (1) a failure on a regular or continuing basis to attend and participate in mediation sessions without cause; (2) failure to provide full information no later than the initial mediation meeting regarding the financial obligations of the parties

and other creditors including the obligation of a creditor to provide information under section 583.26, subdivision 5, paragraph (d); (3) failure of the creditor to designate a representative to participate in the mediation with authority to make binding commitments within one business day to fully settle, compromise, or otherwise mediate the matter; (4) lack of a written statement of debt restructuring alternatives and a statement of reasons why alternatives are unacceptable to one of the parties; (5) failure of a creditor to release funds from the sale of farm products to the debtor for necessary living and farm operating expenses; or (6) other similar behavior which evidences lack of good faith by the party. A failure to agree to reduce, restructure, refinance, or forgive debt does not, in itself, evidence lack of good faith by the creditor.

(b) The amount that the creditor is required to release for necessary living expenses under this section is limited to ~~\$1,600~~ \$3,600 per month less the debtor's off-farm income. Beginning in 2022 and every five years thereafter, the director must adjust the monetary limit under this paragraph for inflation using the United States All-Items Consumer Price Index.

(c) If the debtor and creditor do not agree on the amount of necessary living expenses to be released, the debtor or creditor may petition conciliation court in the county of the debtor's residence to make a determination of the amount to be released. The conciliation court must make the determination within ten days after receiving the petition.

(d) If the debtor and creditors do not agree on the amount of necessary operating expenses or necessary living and operating expenses to be released, the debtor or a creditor requested to release necessary living or operating expenses may petition the district court of the debtor's residence to make a determination of the amount to be released. The court shall hear and make a determination of the amount of living and operating expenses to be released within ten days after receiving the petition. The court shall also add or subtract up to ten days to the time when the creditor can begin to enforce a proceeding to collect the debt against agricultural property of the debtor and assess costs, including any attorney fees, among the parties to the court proceeding. The court shall equitably adjust the time to begin a creditor's proceeding and the assessment of costs based on the parties' good faith claim to the amount of living and operating expenses to be released.

EFFECTIVE DATE. This section is effective August 1, 2017, and applies to debt subject to the Farmer-Lender Mediation Act that is initiated on or after that date.

Sec. 71. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall renumber Minnesota Statutes, section 18B.01, subdivision 9a, to Minnesota Statutes, section 18B.01, subdivision 9d, and correct any cross-references related to the renumbering.

Sec. 72. **REPEALER.**

Minnesota Statutes 2016, sections 18B.01, subdivisions 10a, 10b, and 22a; 18B.285; 25.371, subdivisions 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, and 15; 41D.01, subdivision 4; and 583.22, subdivision 7b, are repealed.

ARTICLE 2
DAIRY LAW REORGANIZATION

Section 1. Minnesota Statutes 2016, section 13.6435, subdivision 8, is amended to read:

Subd. 8. **Dairy products.** Financial and production information obtained by the commissioner of agriculture to administer chapter ~~32~~ 32D are classified under section ~~32.71, subdivision 2~~ 32D.25, subdivision 2.

Sec. 2. Minnesota Statutes 2016, section 17.984, subdivision 1, is amended to read:

Subdivision 1. **Authority.** To carry out the commissioner's enforcement duties under chapter ~~32~~ 32D, the commissioner may, upon presenting appropriate credentials, during regular working hours and at other reasonable times, inspect premises subject to the commissioner's enforcement and licensing authority for reasons related to the commissioner's enforcement and licensing authority; request information from persons with information relevant to an inspection; and inspect relevant papers and records, including business records. The commissioner may issue notices in lieu of citations for minor violations if a notice is in the public interest.

Sec. 3. **[32D.01] DEFINITIONS.**

Subdivision 1. **Scope.** The definitions in this section apply to this chapter.

Subd. 2. **Adulterated.** "Adulterated" means an item is covered by section 34A.02.

Subd. 3. **Cheese.** "Cheese" includes all varieties of cheese, cheese spreads, cheese foods, cheese compounds, or processed cheese made or manufactured in whole or in part from milk.

Subd. 4. **Commissioner.** "Commissioner" means the commissioner of agriculture.

Subd. 5. **Dairy farm.** "Dairy farm" means a place or premises where one or more lactating animals, including cows, goats, sheep, water buffalo, camels, or other hoofed mammals, are kept, and from which all or a portion of the milk produced at the place or premises is delivered, sold, or offered for sale.

Subd. 6. **Dairy plant.** "Dairy plant" means any place where a dairy product is manufactured, processed, or handled and includes milk-receiving stations, creameries, cheese factories, condenseries, milk plants, transfer stations, and marketing organizations that purchase milk and cream directly from producers for resale and other establishments, as those terms are used in this chapter and chapters 17, 27, and 31; but does not include any place where dairy products are not processed but sold at whole or retail only.

Subd. 7. **Dairy product.** "Dairy product" means milk as defined by Code of Federal Regulations, title 21, cream, any product or by-product of either, or any commodity among the principal constituents or ingredients of which is one or a combination of two or more of them, as determined by standards, grades, or rules adopted by the commissioner.

Subd. 8. **Fluid milk products.** "Fluid milk products" means yogurt, cream, sour cream, half and half, reconstituted half and half, concentrated milk, concentrated milk products, skim milk, nonfat milk, chocolate flavored milk, chocolate flavored dairy drink, chocolate flavored reconstituted milk, chocolate flavored reconstituted dairy drink, buttermilk, cultured buttermilk, cultured milk, vitamin D milk, reconstituted or recombined milk, reconstituted cream, reconstituted skim milk, homogenized milk, and any other fluid milk product made by the addition of any substance to milk or to any of the fluid milk products enumerated under this subdivision or by rule adopted by the commissioner.

Subd. 9. **Goat milk.** "Goat milk" means a whole, fresh, clean lacteal secretion free from colostrum, obtained by the complete milking of one or more healthy goats.

Subd. 10. **Milk.** "Milk" means the normal lacteal secretion, practically free of colostrum, obtained by the milking of one or more healthy hoofed mammals. Hoofed mammals include but are not limited to cattle, water buffalo, sheep, goats, yaks, and camels.

Subd. 11. **Milk for manufacturing purposes.** "Milk for manufacturing purposes" means milk produced for processing and manufacturing into products for human consumption but not subject to Grade A or comparable requirements.

Subd. 12. **Milk-receiving station.** "Milk-receiving station" means a dairy plant where raw milk for pasteurization or for manufacture is received, handled, or prepared for processing or for resale as unpasteurized milk or fluid milk products.

Subd. 13. **Minnesota farmstead cheese.** "Minnesota farmstead cheese" means cheese manufactured in Minnesota on the same farm that the milk used in its manufacturing is produced.

Subd. 14. **Misbranded or misbranding.** "Misbranded" or "misbranding" means an item is covered by section 34A.03.

Subd. 15. **Pasteurization or pasteurized.** (a) "Pasteurization," "pasteurized," and similar terms mean:

(1) the process of heating every particle of milk or dairy product in properly operated equipment approved by the commissioner to a temperature of at least 145 degrees Fahrenheit and holding the temperature for at least 30 minutes;

(2) the process of heating every particle of milk or dairy product in properly operated equipment approved by the commissioner to a temperature of at least 161 degrees Fahrenheit and holding the temperature for at least 15 seconds; or

(3) the process of heating every particle of milk or dairy product in properly operated equipment approved by the commissioner to the temperatures and holding for the times as the commissioner may prescribe by rule, containing standards more stringent than those imposed by this subdivision.

(b) Nothing in this subdivision shall be construed as excluding any other process that has been demonstrated to be equally efficient and is approved by the commissioner.

Subd. 16. **Recombinant bovine growth hormone or rBGH.** "Recombinant bovine growth hormone" or "rBGH" means a growth hormone intended for use in bovine animals that has been produced through recombinant DNA techniques, described alternately as recombinant bovine somatotropin or rBST.

Sec. 4. **[32D.02] INSPECTION AUTHORITY AND DUTIES.**

Subdivision 1. **Enforcement.** The commissioner is charged with the enforcement of this chapter.

Subd. 2. **Power and authority.** For the purpose of enforcing this chapter, the commissioner and the commissioner's assistants, agents, and employees have the power and authority granted under sections 31.02 to 31.171.

Subd. 3. **Inspection of dairies.** At times the commissioner determines proper, the commissioner shall inspect all places where dairy products are made, stored, or served as food for purchase, and all places where hoofed mammals are kept by persons engaged in the sale of milk, and shall require the correction of all unsanitary conditions and practices.

Subd. 4. **Refusal of inspection.** A refusal or physical threat that prevents the completion of an inspection or neglect to obey a lawful direction of the commissioner or the commissioner's agent given while carrying out this section may result in the suspension of the offender's permit or certification or other enforcement as deemed

appropriate by the commissioner. The offender is required to meet with a representative of the offender's plant or marketing organization and a representative of the commissioner within 48 hours of receiving notice, excluding holidays or weekends, or the suspension or enforcement action shall take effect. A producer may request a hearing before the commissioner or the commissioner's agent if a serious concern exists relative to the retention of the offender's permit or certification to sell milk.

Subd. 5. **Inspection service.** To ensure compliance with the laws and rules governing the production, handling, processing, and sale of milk and dairy products, the commissioner is authorized, through a duly trained and qualified milk inspector, to inspect milk and milk products and the premises and plants where milk and milk products are produced, handled, and processed. Inspection services must acquaint the processor and producers with the requirements for a Grade A or manufacturing grade milk supply for preliminary inspection to determine if a processor has brought the processor's farms and plants to the state of compliance that qualifies the processor's products for the Grade A or manufacturing grade label, and for continuous inspection to ensure that a farm or plant and all products from a farm or plant are in compliance with this chapter.

Subd. 6. **Field service.** Grade A or manufacturing grade processors shall provide a continuous field service to assist producers who sell their milk to the processor's plant to attain and maintain compliance with this chapter. A person who performs field service must first obtain a permit from the commissioner. A person desiring to secure a permit must apply on a form provided by the commissioner, and before a permit is issued the commissioner shall determine that the applicant is competent and qualified to perform field service. The permit is not transferable to another person and may be revoked for due cause after the holder of the permit has been given the opportunity for a hearing. The permit holder must be given a notice in writing of the time and place of the hearing at least seven days before the date of the hearing.

Subd. 7. **Enforcement standards.** The standards in this chapter and rules adopted under this chapter by the commissioner shall be the only standards for use in Minnesota. No municipality or other subdivision of state government shall provide, by ordinance, more stringent or comprehensive standards than are contained in this chapter and rules adopted by the commissioner under this chapter.

Subd. 8. **Rules.** (a) The commissioner shall by rule adopt identity, production, and processing standards for both Grade A and manufacturing grade milk and dairy products.

(b) In the exercise of the authority to establish requirements for Grade A milk and milk products, the commissioner adopts definitions, standards of identity, and requirements for production and processing contained in the most current version of the Grade A Pasteurized Milk Ordinance, and its associated documents, of the United States Department of Health and Human Services in a manner provided for and not in conflict with law.

(c) Producers of milk, other than Grade A, shall conform to the standards contained in subparts B, C, D, E, and F of the United States Department of Agriculture Agricultural Marketing Service Recommended Requirements for Milk for Manufacturing Purposes and its Production and Processing, except that the commissioner shall develop methods by which producers are able to comply with the standards without violation of religious beliefs.

Subd. 9. **Certified industry inspection.** Industry personnel may be certified to perform any inspection, to the extent allowed by federal law and provided that performance of the inspections is consistent with rules adopted in subdivision 8.

Subd. 10. **Fees; dairy services account; appropriation.** (a) All fees and penalties collected under this chapter must be deposited in the dairy services account in the agricultural fund. Money in the account, including interest, is appropriated to the commissioner for purposes of administering this chapter.

(b) Unless otherwise noted, all fees are payable by a processor or marketing organization and are invoiced on July 1 of each year for Grade A and January 1 of each year for manufacturing grade, and if not paid within 30 days of the due date, inspection service may be discontinued. If a farm discontinues the production of milk within six months of the billing date, a request for a refund based on inspection services not received may be made by the processor or by the marketing organization on behalf of its patrons. This request must be made in writing by June 30 for manufacturing grade or by December 31 for Grade A. Upon approval by the commissioner, refunds must be made to the processor or marketing organization.

Sec. 5. [32D.03] BULK MILK HAULER AND SAMPLER LICENSE.

Subdivision 1. **License requirement.** A person collecting milk from a dairy farm and transporting the milk by bulk pickup and not in individual containers from farm to plant must obtain a bulk milk hauler and sampler license.

Subd. 2. **Application.** A person desiring to secure a bulk milk hauler and sampler license must apply on a form provided by the commissioner. Before the license is issued, the commissioner shall determine that the applicant is competent and qualified.

Subd. 3. **Term of license; transferability.** An initial bulk milk hauler and sampler license issued by the commissioner expires on the following December 31 and is not transferable. A renewal bulk milk hauler and sampler license is not transferable, is valid for two years, and expires on December 31 of the second year.

Subd. 4. **Fees and penalties.** The fee for an initial or renewal bulk milk hauler and sampler license is \$60. The fee shall be paid to the commissioner before the commissioner issues an initial or renewal bulk milk hauler and sampler license. If a bulk milk hauler and sampler license renewal is not applied for on or before January 1, a fee of \$30 shall be imposed. A person who does not renew a bulk milk hauler and sampler license within one year following its December 31 expiration date, except those persons who do not renew the bulk milk hauler and sampler license while engaged in active military service, shall be required to prove competency and qualification under subdivision 2 before a bulk milk hauler and sampler license is issued. The commissioner may require any other person who renews a bulk milk hauler and sampler license to prove competency and qualification in the same manner.

Subd. 5. **Suspension or cancellation.** The commissioner is empowered to conduct enforcement action, suspend, or cancel any bulk milk hauler and sampler license pursuant to section 34A.06.

Sec. 6. [32D.04] MILK TANK TRUCKS.

All farm bulk milk pickup tankers, milk transports, and tankers used to transport milk products must be inspected and obtain a permit issued by the commissioner at least once every 12 months. The owner or operator must pay a \$25 permit fee per tanker to the commissioner. The commissioner may appoint a person the commissioner deems qualified to make inspections.

Sec. 7. [32D.05] GRADE A DAIRY FARM PERMITTING; WATER WELL DISTANCE REQUIREMENT.

(a) No milk producer may sell or distribute milk from a dairy farm as Grade A milk without a valid Grade A dairy farm permit issued by the commissioner.

(b) A dairy farmer who wishes to be permitted to produce Grade A milk may not be denied the Grade A permit solely because of provisions in rules adopted by the commissioner requiring a minimum distance between a water well and dairy farm. To be eligible for a Grade A permit, the following conditions must be met:

(1) the water well must have been in place prior to January 1, 1974;

(2) the water well must comply with all other rules applicable to the well, other than the distance requirement; and

(3) water from the well must be tested at least once every 12 months. More frequent testing may be required in compliance with guidelines established by the commissioner if water test results fail to meet water quality requirements.

Sec. 8. [32D.06] GRADE A DAIRY FARM INSPECTION; FEES.

(a) As provided in section 32D.02, the commissioner shall provide inspection service to any milk producer who wishes to market Grade A milk and is in compliance with the requirement for the production of Grade A milk. Grade A inspections shall be completed at least once every six months.

(b) The fee for inspections must be no more than \$50 per farm, paid annually by the processor or by the marketing organization on behalf of its patrons.

(c) For a farm requiring a reinspection in addition to the required biannual inspections, an additional fee must be paid by the processor or by the marketing organization on behalf of its patrons. The fee for reinspection of a farm with fewer than 100 hooved milk-producing animals is \$60 per reinspection. The fee for reinspection of a farm with 100 or more hooved milk-producing animals is \$150 per reinspection.

Sec. 9. [32D.07] MANUFACTURING GRADE DAIRY FARM CERTIFICATION.

A producer who wishes to sell milk for manufacturing purposes must obtain from the commissioner an annual Grade B farm certification.

Sec. 10. [32D.08] MANUFACTURING GRADE DAIRY FARM INSPECTION; FEES.

(a) A producer selling milk for manufacturing purposes must be inspected at least once every 12 months.

(b) The fee for the certification inspection must not be more than \$25 per producer, to be paid annually by the processor or the marketing organization on behalf of its patrons.

(c) For a producer requiring more than one inspection for certification, a reinspection fee of \$45 must be paid by the processor or by the marketing organization on behalf of its patrons.

Sec. 11. [32D.09] DAIRY PLANT LICENSING AND PERMITTING.

Subdivision 1. Licensing. A dairy plant must obtain a license as required under section 28A.04.

Subd. 2. Permitting. No person shall operate a dairy plant in this state unless the dairy plant, equipment, and water supply and plumbing system have been first approved by the commissioner and a permit issued to operate the same. A permit may be revoked by the commissioner for due cause pursuant to section 34A.06.

Subd. 3. Approval. At the time of filing the application for a permit, the applicant shall submit to the commissioner duplicate floor plans of the plant that show the placement of equipment, the source of water supply and method of distribution, a detailed pasteurization flow chart, and the location of the plumbing system, including the disposal of wastes. New construction or alteration of an existing dairy plant shall be made only with the approval of the commissioner and duplicate plans for the construction or alteration shall be submitted to the commissioner for approval. The fee for approval services is \$45 per hour of department staff time spent in the approval process.

Subd. 4. **Farmstead cheese.** (a) The commissioner or the commissioner's designee shall issue an additional permit to a dairy plant that desires to use the name "Minnesota farmstead cheese" upon application made by the dairy plant for use of the name, provided the cheese meets the definition in section 32D.01, subdivision 13.

(b) No cheese or packaged cheese that is sold, offered or exposed for sale, or held in possession with intent to sell at either retail or wholesale in this state may be labeled or described as "Minnesota farmstead cheese" unless it meets the criteria in section 32D.01, subdivision 13, and the manufacturer has obtained the designated permit.

Sec. 12. [32D.10] INSPECTIONS.

(a) Inspections of Grade A plants must be completed at least once every three months. A pasteurization plant requesting Grade A inspection must pay an annual inspection fee of no more than \$500.

(b) Inspections of manufacturing plants that process milk or milk products other than Grade A must be completed at least once every six months. A manufacturing plant that pasteurizes milk or milk by-products must pay an annual fee based on the number of pasteurization units. The fee must not exceed \$140 per unit.

Sec. 13. [32D.11] PROCUREMENT FEE.

A dairy plant operator in this state must pay to the commissioner on or before the 18th of each month a fee of 1.1 cents per hundredweight of milk purchased the previous month. If a milk producer in this state ships milk out of the state for sale, the producer must pay the fee to the commissioner unless the purchaser voluntarily pays the fee. Producers who ship milk out of state and processors must submit to the commissioner monthly reports related to milk purchases along with the appropriate procurement fee. The commissioner shall have access to all relevant purchase or sale records as necessary to verify compliance with this section and may require the producer or purchaser to produce records as necessary to determine compliance.

Sec. 14. [32D.12] SELECTED PRODUCTS FEE.

(a) A manufacturer must pay to the commissioner a fee for fluid milk processed and milk used in the manufacture of fluid milk products sold for retail sale in Minnesota in an amount not less than five cents and not more than nine cents per hundredweight as set by the commissioner's order. No change within any 12-month period may be in excess of one cent per hundredweight.

(b) A processor must report quantities of milk processed under paragraph (a) on forms provided by the commissioner. Processor fees must be paid monthly. The commissioner may require the production of records as necessary to determine compliance with this paragraph.

(c) The commissioner may create within the department a dairy consulting program to provide assistance to dairy producers who are experiencing problems meeting the sanitation and quality requirements of the dairy laws and rules. The commissioner may use money appropriated from the dairy services account to pay for the program authorized in this paragraph.

Sec. 15. [32D.13] MILK QUALITY STANDARDS.

Subdivision 1. **Visible adulteration or odors.** Milk shall not be visibly adulterated, or have any objectionable odor, or be abnormal in appearance or consistency.

Subd. 2. **Grade A raw milk.** (a) The bacterial count of Grade A raw milk from producers must not exceed 100,000 bacteria per milliliter prior to commingling with other producer milk.

(b) After commingling with other producer milk, the bacteria count must not exceed 300,000 per milliliter prior to pasteurization.

Subd. 3. **Grade A pasteurized milk and fluid milk products.** (a) The bacterial count of Grade A pasteurized milk and fluid milk products, at any time after pasteurization until delivery, must not exceed 20,000 bacteria per milliliter.

(b) The coliform count of Grade A pasteurized milk and fluid milk products must not exceed ten bacteria per milliliter except that bulk tank transport shipments must not exceed 100 per milliliter.

Subd. 4. **Raw milk, other than Grade A.** The bacterial count of raw milk other than Grade A from producers must not exceed 500,000 bacteria per milliliter prior to commingling with other producer milk.

Subd. 5. **Pasteurized milk, other than Grade A.** The bacterial count of pasteurized milk other than Grade A pasteurized milk, at any time after pasteurization until delivery, must not exceed 20,000 bacteria per milliliter.

Subd. 6. **Exceptions.** Bacterial count standards do not apply to sour cream, cultured buttermilk, and other cultured fluid milk products.

Subd. 7. **Rules and standards.** The commissioner may prescribe standards and rules adopted in accordance with law more stringent than those imposed by this section.

Subd. 8. **Somatic cell count.** (a) The somatic cell count, as determined by a direct microscopic somatic cell count or an electronic somatic cell count, must not exceed 750,000 cells per milliliter for Grade A raw milk and raw milk other than Grade A. Notwithstanding any federal standard, the somatic cell count of goat milk must not exceed 1,500,000 cells per milliliter.

(b) The commissioner may prescribe standards and rules adopted in accordance with law more stringent than those imposed by this subdivision.

Subd. 9. **Temperature.** If milk is received or collected from a dairy farm more than two hours after the most recent milking, the temperature of the milk shall not exceed 45 degrees Fahrenheit (7 degrees Celsius). If the milk consists of a blend of milk from two or more milkings, and the milk is received or collected less than two hours after the most recent milking, the blend temperature shall not exceed 50 degrees Fahrenheit (10 degrees Celsius).

Subd. 10. **Industry enforcement.** A dairy plant is not required to reject milk shipments in response to a violation of subdivisions 2 to 9 unless the commissioner suspends or revokes the dairy plant permit or milk producer's Grade A permit or manufacturing grade certification.

Sec. 16. **[32D.14] OFFICIAL PRODUCER SAMPLES.**

(a) An official producer sample for each producer must be analyzed for bacteria, somatic cell count, temperature, and antibiotic residues at least once per month in four out of every six months. Official producer samples must be collected and analyzed without providing the producer with prior notification of the sampling date.

(b) Official producer sample results must be inclusive of all animals from which milk is collected and sold on the day of sampling.

(c) Official producer sample results must be collected by a licensed sampler.

Sec. 17. **[32D.15] MONTHLY REPORTING.**

(a) In at least four out of every six months, the dairy plant that procures milk from the producer must report to the commissioner at least one representative test result for bacteria, somatic cell count, temperature, and antibiotic residues. The result shall be reported within seven days after the laboratory obtains the test results.

(b) A laboratory that performs the tests required under this section for a dairy plant may report the test results for the dairy plant.

(c) A dairy plant or laboratory shall report test results under this section in an electronic form approved by the department or using an approved alternative.

Sec. 18. **[32D.16] ENFORCEMENT.**

The commissioner shall suspend a producer's permit or certification if three of the last five official producer samples exceed the applicable standard. The commissioner shall provide warning of a pending suspension when two of the last four producer samples exceed the applicable standard.

Sec. 19. **[32D.17] LABORATORY CERTIFICATION.**

(a) A laboratory and its methods are required to be approved or certified prior to testing Grade A milk samples. The results of approved or certified laboratories may be used by official regulatory agencies in enforcement of requirements for milk and milk products. The approval or certification remains valid unless suspended or revoked by the commissioner for failure to comply with the requirements of this chapter.

(b) Certified or approved laboratories must receive a permit from the commissioner. The permit remains valid without renewal unless suspended or revoked by the commissioner for failure to comply with the requirements of this chapter.

(c) Satisfactory analytical procedures and results for split samples, the nature, number, and frequency of which shall be in accordance with rules established by the commissioner, shall be required of a certified laboratory for retention of its certification and permit.

(d) An application for initial certification or biennial recertification, or for recertification following suspension or revocation of a permit, shall be accompanied by an annual fee based on the number of analyses approved and the number of specific tests for which they are approved. The fee must not be less than \$150 nor more than \$200 for each analysis approved and not less than \$35 nor more than \$50 for each test approved. The commissioner may annually adjust assessments within the limits established by this subdivision to meet the cost recovery of the services required by this section.

Sec. 20. **[32D.18] MILK BOUGHT BY WEIGHT; TESTING METHODS.**

Subdivision 1. **Milk fat, protein, and solids not fat bases of payment; tests.** (a) Milk must be purchased from producers using a formula based on one or more of the following:

(1) payment of a standard rate with uniform differentials for milk testing above or below 3.5 percent milk fat;

(2) payment of a standard rate for the pounds of milk fat contained in the milk;

(3) payment of a standard rate for the pounds of protein contained in the milk;

(4) payment of a standard rate for the pounds of nonfat solids contained in the milk; or

(5) payment of standard rates based on other attributes of value in the milk.

(b) In addition, an adjustment may be made on the basis of milk quality and other premiums. Testing procedures for determining the percentages of milk fat, protein, and nonfat solids must comply with the methods approved by the Association of Analytical Chemists or be as adopted by rule.

Subd. 2. **Apparatus to conform to specifications.** Glassware, test bottles, pipettes, acid measures, chemicals, scales, and other apparatus used in the operation of these tests shall conform to the specifications for the particular test method.

Subd. 3. **Penalties for violations.** A person who:

(1) employs any test other than those tests authorized by rule adopted by the commissioner, or any methods other than the standard official methods for determining the milk fat content of milk or cream;

(2) incorrectly samples milk or cream purchased or sold;

(3) incorrectly weighs milk or cream purchased or sold;

(4) incorrectly grades milk or cream purchased or sold;

(5) makes a false entry of the weight, test result, or grade of any milk or cream purchased or sold;

(6) incorrectly samples, weighs, tests, or records or reports weights or tests of skim milk or buttermilk purchased or sold;

(7) underreads the tests;

(8) falsifies the reading of the tests;

(9) manipulates the reading of the tests; or

(10) falsely states, certifies, or uses in the purchase or sale of milk or cream a misreading of such tests, whether the tests or actual reading have been made by the person or by any other person,

is guilty of a misdemeanor.

Sec. 21. [32D.19] ADULTERATED DAIRY PRODUCTS.

Subdivision 1. **Purchase and sale prohibition.** A person may not sell or knowingly buy adulterated dairy products.

Subd. 2. **Manufacture of food for human consumption from adulterated milk or cream prohibited.** An article of food for human consumption may not be manufactured from adulterated milk or cream, except as provided in the Federal Food, Drug, and Cosmetic Act, United States Code, title 21, section 301 et seq., and related federal regulations.

Subd. 3. **Adulterated milk.** For purposes of this section, milk is adulterated if it:

- (1) is drawn in a filthy or unsanitary place;
- (2) is drawn from unhealthy or diseased animals;
- (3) contains water in excess of that normally found in milk;
- (4) contains a substance that is not a normal constituent of the milk except as allowed in this chapter; or
- (5) contains drug residues or other chemical or biological substances in amounts above the tolerances or safe levels established by rule.

Subd. 4. **Drug residues.** (a) Before processing milk, all bulk milk pickup tankers must be tested for the presence of beta lactam drug residues and for other residues as determined necessary by the commissioner. Milk received from a producer in other than a bulk milk pickup tanker is also subject to this section.

(b) Bulk milk tankers that confirm positive for beta lactam drug residues or other residues must follow up with producer sample testing of all producers contained on the positive load.

(c) Individual producer samples must be tested for the presence of beta lactam drug residues at least once a month for four out of every six-month period. Results of these tests must be reported to the commissioner as official producer sample results using established electronic reporting procedures.

(d) Drug residue testing methods must be those approved by the Food and Drug Administration (FDA) and the National Conference of Interstate Milk Shipments or listed in the FDA's current version of M-a-85.

(e) All drug residue samples testing positive must be reported to the commissioner or the commissioner's designee within 24 hours. The report must include how and where the milk was disposed of, and the volume, the responsible producer, and the possible cause of the violative residue. All milk sample residue results must be recorded and retained for six months by the receiving plant for examination by the commissioner or the commissioner's designee.

Subd. 5. **Penalties.** (a) The permit or certification of a milk producer identified as having a positive drug residue is immediately suspended. The producer must not ship milk while the permit or certification is suspended.

(b) The producer's permit or certification may be reinstated after being sampled by the commissioner or the commissioner's designee and testing negative on the sample.

(c) A milk producer may not change plants within 30 days, without permission of the commissioner, after receiving notification from the commissioner of a residue violation.

(d) The producer that is identified with the drug residue violation is responsible for the value of all milk on any load that tests positive for drug residues and any costs associated with its disposal. Payment shall be made to the purchaser of the milk.

(e) For the first and second violation within a 12-month period, the dairy producer must, within 30 days of the date of the residue:

- (1) meet with the dairy inspector to review potential causes of the adulteration; and

(2) complete the designated drug residue prevention educational program with a licensed veterinarian and submit the signed certificate to the commissioner.

(f) Failure to comply with the requirements for the first and second violation listed in paragraph (e) may result in suspension of the producer's permit or certification until the conditions in paragraph (e) are met.

(g) For the third or subsequent violation within a 12-month period, the commissioner may initiate proceedings for further enforcement action, that may include a penalty of up to a 30-day permit or certification suspension. In lieu of a suspension, the producer may be assessed an administrative penalty of up to \$1,000 or the value of milk sold during the intended suspension period.

Subd. 6. Other forms of adulteration. A milk producer who violates subdivision 3 is subject to any of the following penalties:

(1) the permit or certification of a milk producer identified as having adulterated milk is immediately suspended. The producer may not ship milk while the permit or certification is suspended;

(2) the producer that is identified with the adulterated milk violation is responsible for the value of all milk on any load that is contaminated by the adulterant and any costs associated with its disposal. Payment shall be made to the purchaser of the milk;

(3) the producer's permit or certification may be reinstated after the commissioner receives adequate verification that the milk is no longer adulterated; and

(4) the commissioner may, after evaluation of the severity and repetitive nature of the adulteration, initiate additional enforcement action in the form of permit or certification suspension for up to 30 days or in lieu of suspension, an administrative penalty of up to \$1,000, or the value of the milk sold during the intended suspension period for each violation.

Subd. 7. Civil penalty. A person other than a milk producer who causes milk to be adulterated is subject to a civil penalty of up to \$1,000.

Subd. 8. Appeals. A dairy producer may appeal an adulteration violation by sending written notice to the commissioner within ten days of receipt of the notice of a violation. The appeal must contain a description of why the producer wishes to appeal the violation.

Sec. 22. [32D.20] LIMITATION ON SALE.

Subdivision 1. Pasteurization. No milk or fluid milk products shall be sold, offered or exposed for sale, or held in possession for sale for the purpose of human consumption in fluid form in this state unless the milk or fluid milk product has been pasteurized, as defined in section 32D.01, subdivision 15, and cooled, provided that this section shall not apply to milk, cream, or skim milk occasionally secured or purchased for personal use by a consumer at the place or farm where the milk is produced.

Subd. 2. Labels. (a) Pasteurized milk or fluid milk products offered or exposed for sale or held in possession for sale shall be labeled or otherwise designated as pasteurized milk or pasteurized fluid milk products, and in the case of fluid milk products the label shall also state the name of the specific product.

(b) Milk and dairy products must be labeled with the plant number where the product was produced, or if produced in a state where official plant numbers are not assigned, the name of the manufacturer and the address of the plant where it was manufactured.

Sec. 23. **[32D.21] COOLING AFTER PASTEURIZATION.**

Immediately following pasteurization, all milk and fluid milk products shall be cooled in properly operated equipment approved by the commissioner to a temperature of 45 degrees Fahrenheit or lower, and maintained at 45 degrees Fahrenheit or lower until delivered; provided, however, that if the milk or fluid milk product is to be cultured immediately after pasteurization, then cooling may be delayed until after the culturing process is completed; provided further that the commissioner may prescribe by rule standards more stringent than those imposed by this section.

Sec. 24. **[32D.22] MANUFACTURE OF CHEESE; REQUIREMENTS IN PROCESS.**

No person, firm, or corporation shall manufacture, transport, sell, offer, or expose for sale or have in possession with intent to sell at retail to a consumer any cheese that has not been (1) manufactured from milk or milk products that have been pasteurized; (2) subjected to a heat treatment equivalent to pasteurization during the process of manufacturing or processing; or (3) subjected to an aging process where it has been kept for at least 60 days after manufacture at a temperature no lower than 35 degrees Fahrenheit.

Sec. 25. **[32D.23] RECOMBINANT BOVINE GROWTH HORMONE LABELING.**

Subdivision 1. **Labeling.** Products offered for wholesale or retail sale in this state that contain milk, cream, or any product or by-product of milk or cream that have been processed and handled pursuant to this section may be labeled with an rBGH statement that is not false or misleading and in accordance with the federal labeling standards. Products offered for wholesale or retail sale in this state need not contain any further label information relative to the use of rBGH in milk production.

Subd. 2. **Affidavit; records.** (a) A dairy plant purchasing milk or cream to be used in products labeled with rBGH claims pursuant to subdivision 1 must provide an affidavit from each producer that states that all cows used in the producer's dairy operations have not and will not be treated with rBGH, without advanced written notice of at least 30 days.

(b) The affidavit must be signed by the producer or authorized representative. Affidavits must be kept on file for not less than two years after receiving written notice that rBGH use status will change.

(c) If a plant chooses to process and handle only milk or milk products sourced from cows who have not been treated with rBGH, the plant, as an alternative to providing individual producer affidavits, may provide one affidavit to certify that the plant has procedures in place to verify that all producers are not using rBGH. A copy of the written procedure that describes this verification process must also be provided with the plant affidavit.

(d) All affidavits and corresponding records must be available for inspection by the commissioner.

(e) Dairy plants supplying milk or cream to a processor or manufacturer of a product to be labeled pursuant to subdivision 1, for use in that product, shall supply a certification to that processor or manufacturer stating that producers of the supplied milk or cream have executed and delivered affidavits pursuant to this subdivision.

Subd. 3. **Separation of nontreated cows and milk.** Milk or cream from non-rBGH-treated cows used in manufacturing or processing of products labeled pursuant to subdivision 1 must be kept fully separate from any other milk or cream through all stages of storage, transportation, and processing until the milk or resulting dairy products are in final packaged form in a properly labeled container. Records of the separation must be kept by the dairy plant and product processor or manufacturer at all stages and made available to the commissioner for inspection.

Sec. 26. **[32D.24] DAIRY TRADE PRACTICES; DEFINITIONS.**

Subdivision 1. **Application.** The definitions in this section apply to sections 32D.24 to 32D.28.

Subd. 2. **Basic cost.** (a) "Basic cost," for a processor, means the actual cost of the raw milk plus 75 percent of the actual processing and handling costs for a selected class I or class II dairy product.

(b) Basic cost, for a wholesaler, means the actual cost of the selected class I or class II dairy product purchased from the processor or another wholesaler.

(c) Basic cost, for a retailer, means the actual cost of the selected class I or class II dairy product purchased from a processor or wholesaler.

Subd. 3. **Bona fide charity.** "Bona fide charity" means a corporation, trust, fund, or foundation organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes.

Subd. 4. **Processor.** "Processor" means a person engaged in manufacturing or processing selected class I or class II dairy products in the person's own plant for sale in Minnesota.

Subd. 5. **Producer.** "Producer" means a person who operates a dairy herd or herds in Minnesota producing milk or cream commercially and whose milk or cream is sold to, or received or handled by, a distributor or processor. Producer does not include an incorporated or unincorporated association of producers.

Subd. 6. **Responsible person.** "Responsible person" means the business entity that makes payment to an individual Grade A or Grade B milk producer.

Subd. 7. **Selected class I dairy products.** "Selected class I dairy products" means milk for human consumption in fluid form and all other class I dairy products as defined by the Upper Midwest Milk Marketing Order, Code of Federal Regulations, title 7, part 1030.40, or successor orders.

Subd. 8. **Selected class II dairy products.** "Selected class II dairy products" means milk for human consumption processed into fluid cream, eggnog, yogurt, and all other class II dairy products as defined by the Upper Midwest Milk Marketing Order, Code of Federal Regulations, title 7, part 1030.40, or successor orders.

Subd. 9. **Sell at retail; sale at retail; retail sales.** "Sell at retail," "sale at retail," or "retail sales" means a retail sale or offer for retail sale of a selected class I or class II dairy product for ultimate consumption or use.

Subd. 10. **Sell at wholesale; sale at wholesale; wholesale sales.** "Sell at wholesale," "sale at wholesale," or "wholesale sales" means sale or offer for sale of a selected class I dairy product for purposes of resale or further processing or manufacturing but does not include a producer selling or delivering milk to a processor.

Subd. 11. **Wholesaler.** "Wholesaler" means a person including a distributor in the business of making sales of selected class I or class II dairy products at wholesale in Minnesota. In the case of a person making sales at both retail and wholesale, wholesaler applies only to the sales at wholesale.

Sec. 27. **[32D.25] DUTIES AND POWERS OF COMMISSIONER; DATA PRIVACY.**

Subdivision 1. **Duties; rules.** The commissioner shall adopt rules to implement and administer sections 32D.24 to 32D.28.

Subd. 2. **Data privacy.** Financial and production information received by the commissioner on processors, wholesalers, or retailers, including but not limited to financial statements, fee reports, price schedules, cost documentation, books, papers, records, or other documentation for the purpose of administration and enforcement of this chapter is classified private data or nonpublic data pursuant to chapter 13. The classification shall not limit the use of the information in the preparation, institution, or conduct of a legal proceeding by the commissioner in enforcing this chapter.

Sec. 28. **[32D.26] SALES BELOW COST PROHIBITED; EXCEPTIONS.**

Subdivision 1. **Policy; processors; wholesalers; retailers.** (a) It is the intent of the legislature to accomplish partial deregulation of milk marketing with a minimum negative impact on small-volume retailers.

(b) A processor or wholesaler may not sell or offer for sale selected class I or class II dairy products at a price lower than the processor's or wholesaler's basic cost.

(c) A retailer may not sell or offer for sale selected class I or class II dairy products at a retail price lower than (1) 105 percent of the retailer's basic cost until June 30, 1994; and (2) the retailer's basic cost beginning July 1, 1994, and thereafter. A retailer may not use any method or device in the sale or offer for sale of a selected dairy product that results in a violation of this section.

Subd. 2. **Exceptions.** The minimum processor, wholesaler, and retailer prices of subdivision 1 do not apply:

(1) to a sale complying with section 325D.06;

(2) to a retailer giving away selected class I and class II dairy products for free if the customer is not required to make a purchase; or

(3) to a processor, wholesaler, or retailer giving away selected class I and class II dairy products for free or at a reduced cost to a bona fide charity.

Sec. 29. **[32D.27] REDRESS FOR INJURY OR THREATENED INJURY.**

A person injured by a violation of sections 32D.24 to 32D.28 may commence a legal action based on the violation in a court of competent jurisdiction and may recover economic damages and the costs of the action, including reasonable attorney fees. A person injured or who is threatened with injury or loss by reason of violation of sections 32D.24 to 32D.28 may commence a legal action based on the violation and obtain injunctive relief in a court of competent jurisdiction against persons involved in a violation or threatened violation of sections 32D.24 to 32D.28 to prevent and restrain violations or threatened violations of sections 32D.24 to 32D.28 without alleging or proving actual damages or that an adequate remedy at law does not exist, so that injunctive relief can be obtained promptly and without awaiting evidence of injury or actual damage. The injunctive relief does not abridge and is not in lieu of any other civil remedy provided in sections 32D.24 to 32D.28.

Sec. 30. **[32D.28] ANNUAL SUSPENSION OF DAIRY TRADE PRACTICES ACT.**

The provisions of section 32D.26 are suspended during the month of June each year in honor of "Dairy Month."

Sec. 31. Minnesota Statutes 2016, section 34A.01, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** The definitions in this section and chapters 28, 28A, 29, 30, 31, 31A, ~~32~~ 32D, and 34 apply to this chapter. The definitions in this section apply to chapter ~~32~~ 32D.

Sec. 32. **REPEALER.**

Minnesota Statutes 2016, sections 32.01, subdivisions 1, 2, 6, 8, 9, 10, 11, and 12; 32.021; 32.071; 32.072; 32.073; 32.074; 32.075; 32.076; 32.078; 32.10; 32.102; 32.103; 32.105; 32.106; 32.21; 32.212; 32.22; 32.25; 32.391, subdivisions 1, 1d, 1e, 1f, 1g, 2, and 3; 32.392; 32.393; 32.394, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 8a, 8b, 8c, 8d, 8e, 9, 11, and 12; 32.395; 32.397; 32.398, subdivision 1; 32.401, subdivisions 1, 2, 3, and 5; 32.415; 32.416; 32.475; 32.481, subdivision 1; 32.482; 32.483; 32.484; 32.486; 32.55, subdivisions 1, 2, 3, 4, 5, 12, 13, and 14; 32.555; 32.56; 32.61; 32.62; 32.63; 32.64; 32.645; 32.70; 32.71; 32.72; 32.74; 32.745; 32.75; and 32.90, are repealed."

Delete the title and insert:

"A bill for an act relating to agriculture; making policy and technical changes to various agriculture-related provisions; reorganizing dairy law; making conforming changes; modifying the Farmer-Lender Mediation Act; amending Minnesota Statutes 2016, sections 13.6435, subdivision 8; 15.985; 17.984, subdivision 1; 18B.01, by adding subdivisions; 18B.26, subdivision 1; 18B.28, subdivisions 1, 3; 18B.37, subdivision 3; 18C.70, subdivision 5; 18C.71, subdivision 4; 18H.06, subdivision 2; 18H.07, subdivisions 2, 3; 21.111, subdivisions 2, 3; 21.113; 21.117; 25.32; 25.33, subdivisions 5, 10, 21; 25.341, subdivisions 1, 2; 25.35; 25.371, subdivision 2; 25.38; 25.39, subdivisions 1, 1a, 2, 3; 25.40, subdivision 2; 25.41, subdivisions 1, 2, 3, 5, 7a; 25.42; 27.04; 28A.03, by adding a subdivision; 28A.21, subdivision 6; 31A.02, subdivision 4; 32C.02, subdivision 2; 32C.06; 34A.01, subdivision 1; 41B.03, subdivisions 2, 3; 41B.043, subdivision 5; 41B.045, subdivision 2; 41C.02, subdivision 12; 116V.01, subdivisions 2, 3, 4, 7, 10, 11, 13, 14; 223.17, subdivision 8; 232.22, subdivision 7; 336.9-601; 550.365, subdivision 1; 559.209, subdivision 1; 582.039, subdivision 1; 583.215; 583.24, subdivision 4, by adding a subdivision; 583.26, subdivisions 2, 3, 3a, 4, 10; 583.27, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 32D; repealing Minnesota Statutes 2016, sections 18B.01, subdivisions 10a, 10b, 22a; 18B.285; 25.371, subdivisions 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15; 32.01, subdivisions 1, 2, 6, 8, 9, 10, 11, 12; 32.021; 32.071; 32.072; 32.073; 32.074; 32.075; 32.076; 32.078; 32.10; 32.102; 32.103; 32.105; 32.106; 32.21; 32.212; 32.22; 32.25; 32.391, subdivisions 1, 1d, 1e, 1f, 1g, 2, 3; 32.392; 32.393; 32.394, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 8a, 8b, 8c, 8d, 8e, 9, 11, 12; 32.395; 32.397; 32.398, subdivision 1; 32.401, subdivisions 1, 2, 3, 5; 32.415; 32.416; 32.475; 32.481, subdivision 1; 32.482; 32.483; 32.484; 32.486; 32.55, subdivisions 1, 2, 3, 4, 5, 12, 13, 14; 32.555; 32.56; 32.61; 32.62; 32.63; 32.64; 32.645; 32.70; 32.71; 32.72; 32.74; 32.745; 32.75; 32.90; 41D.01, subdivision 4; 583.22, subdivision 7b."

With the recommendation that when so amended 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. 1720, A bill for an act relating to taxation; property; modifying the exemption for agricultural containment facilities; amending Minnesota Statutes 2016, section 272.02, subdivision 23.

Reported the same back with the following amendments:

Page 1, line 14, delete "2018" and insert "2016"

Page 1, line 16, delete "2017" and insert "2016"

With the recommendation that when so amended the bill be re-referred to the Property Tax and Local Government Finance Division.

The report was adopted.

Torkelson from the Committee on Transportation Finance to which was referred:

H. F. No. 1725, A bill for an act relating to motor vehicles; amending certain weight limitations for vehicles transporting milk; requiring an analysis of certain deficient bridges; proposing coding for new law in Minnesota Statutes, chapter 169.

Reported the same back with the recommendation that 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. 1732, A bill for an act relating to insurance; examinations by the commissioner of commerce; amending Minnesota Statutes 2016, section 60A.031, subdivisions 4, 6; proposing coding for new law in Minnesota Statutes, chapter 60A.

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. 1739, A bill for an act relating to human services; setting requirements for competitive bidding and managed care procurement; amending Minnesota Statutes 2016, section 256B.69, 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.69, is amended by adding a subdivision to read:

Subd. 36. **Competitive bidding and procurement.** (a) For managed care organization contracts effective on or after January 1, 2019, the commissioner shall utilize a competitive price bidding program on a regional basis for nonelderly adults and children, who are not eligible on the basis of a disability and are enrolled in medical assistance and MinnesotaCare. If the commissioner utilizes a competitive price bidding program, the commissioner shall establish a minimum of four geographic regions in the state. The commissioner shall implement separate competitive price bidding for each of the geographic regions. The program shall allow a minimum of three managed care organizations to serve each metropolitan statistical area, unless the commissioner determines the potential enrollment in a particular county within a metropolitan statistical area can be adequately served by only two managed care organizations. The commissioner shall allow a minimum of two managed care organizations to serve areas of the state that are not part of a metropolitan statistical area. For purposes of this subdivision, "managed care organization" means a demonstration provider as defined in subdivision 2, paragraph (b).

(b) County board resolutions identifying managed care organization preferences must explicitly be given scoring weight in the procurement process. The commissioner shall specify in the request for proposals the scoring weight that will be given to county board resolutions. County boards may identify priority areas for managed care organizations to address in the proposals. The request for proposals must list these priority areas for each county and specify the scoring weight that will be assigned to addressing priority areas.

(c) If a best and final offer is requested, each responding managed care organization must be offered the opportunity to submit a best and final offer.

(d) The commissioner, when evaluating proposals, shall consider network adequacy for dental and other services.

(e) Notwithstanding sections 13.591 and 13.599, after the managed care organizations are notified about the award determination, but before contracts are signed, the commissioner shall provide each managed care organization with its own scoring sheet and supporting information. The scoring sheet shall not be made available to other managed care organizations until final contracts are signed.

(f) A managed care organization that is aggrieved by the commissioner's decision related to the selection of managed care organizations to deliver services in a county or counties may appeal the commissioner's decision using the contested case procedures in sections 14.57 to 14.62. A contested case proceeding must be initiated within 60 days after the date on which the commissioner notifies the managed care organization that the managed care organization was not awarded a contract or service area. After considering the appeal, the administrative law judge must either uphold or modify the commissioner's selection of managed care organizations. The decision of the administrative law judge constitutes the final decision regarding the selection of managed care organizations to serve a county or counties. A party aggrieved by the administrative law judge's decision may seek judicial review of the decision as provided in chapter 14.

(g) The commissioner shall contract for an independent evaluation of the competitive price bidding process. The contractor must solicit recommendations from all parties participating in the competitive price bidding process for service delivery in calendar year 2019 on how the competitive price bidding process may be improved for service delivery in calendar year 2020 and annually thereafter. The commissioner shall make evaluation results available to the public on the department's Web site."

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. 1745, A bill for an act relating to transportation; establishing a Metro Mobility Enhancement Task Force; requiring a legislative report.

Reported the same back with the following amendments:

Page 3, after line 6, insert:

"(f) Meetings of the task force are subject to chapter 13D."

Page 3, line 16, before "The" insert "If before June 1, 2017, the Legislative Audit Commission selects Metro Mobility for a program evaluation by the legislative auditor, this section expires June 1, 2017. Otherwise,"

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

The report was adopted.

Scott from the Committee on Civil Law and Data Practices Policy to which was referred:

H. F. No. 1756, A bill for an act relating to taxation; modifying provisions for paid preparers; amending Minnesota Statutes 2016, sections 270C.445, subdivisions 2, 3, 5a, 6, 6a, 6b, 6c, 7, 8, by adding a subdivision; 270C.446, subdivisions 2, 3, 4, 5; 270C.447, subdivisions 1, 2, 3, by adding a subdivision; 289A.60, subdivisions 13, 28; repealing Minnesota Statutes 2016, sections 270C.445, subdivision 1; 270C.447, subdivision 4.

Reported the same back with the following amendments:

Page 6, line 6, after the first "or" insert "the commissioner reasonably concludes that a tax preparer"

Page 13, line 19, after "engaged" insert "in" and after "or" insert "the commissioner reasonably concludes that a tax preparer doing business in Minnesota"

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

The report was adopted.

Scott from the Committee on Civil Law and Data Practices Policy to which was referred:

H. F. No. 1770, A bill for an act relating to taxation; providing regulation of sales suppression devices; imposing criminal penalties; amending Minnesota Statutes 2016, sections 289A.60, by adding a subdivision; 289A.63, by adding a subdivision; 609.5316, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 289A.

Reported the same back with the following amendments:

Page 1, line 7, after "DEVICES" insert ": DEFINITIONS"

Page 1, line 8, delete "Subdivision 1. Definitions."

Page 3, line 14, after "sales" insert ", with intent that it be so used."

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

The report was adopted.

Scott from the Committee on Civil Law and Data Practices Policy to which was referred:

H. F. No. 1773, A bill for an act relating to taxation; Tax Court; clarifying the notice date for certain appeals; allowing alternative proof of timely mailing; increasing small claims jurisdiction; amending Minnesota Statutes 2016, sections 271.06, subdivisions 2, 2a; 271.08, subdivision 1; 271.21, subdivision 2.

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.

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

H. F. No. 1819, A bill for an act relating to human services; modifying provisions for dispensing certain drugs under medical assistance; modifying payment rates for certain drugs under medical assistance; amending Minnesota Statutes 2016, section 256B.0625, subdivisions 13, 13e.

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.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 1888, A bill for an act relating to state government; prohibiting members and employees of the Minnesota Sports Facilities Authority and the Minnesota Ballpark Authority from giving gifts to certain officials; amending Minnesota Statutes 2016, section 10A.071, subdivisions 2, 3.

Reported the same back with the recommendation that 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. 1891, A bill for an act relating to public employment; requiring affirmative approval before interim implementation of state employee collective bargaining agreements; amending Minnesota Statutes 2016, section 3.855, subdivision 2.

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

The report was adopted.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 1907, A bill for an act relating to cosmetology; making technical changes to definitions; clarifying eyelash extension regulation; authorizing rulemaking; amending Minnesota Statutes 2016, sections 155A.23, subdivisions 10, 15, 16, by adding a subdivision; 155A.29, subdivision 2; 155A.30, subdivisions 2, 5; Laws 2015, chapter 77, article 2, section 81; repealing Minnesota Statutes 2016, section 155A.23, subdivision 8.

Reported the same back with the following amendments:

Page 2, after line 14, insert:

"Sec. 5. Minnesota Statutes 2016, section 155A.29, subdivision 1, is amended to read:

Subdivision 1. **Licensing.** A person must not offer cosmetology services for compensation unless the services are provided by a licensee in a licensed salon or as otherwise provided in this section. Each salon must be licensed ~~as a cosmetology salon, a nail salon, esthetician salon, advanced practice esthetician salon, or eyelash extension salon. A salon may hold more than one type of salon license.~~"

Page 6, line 3, delete "9" and insert "10"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "to definitions"

Correct the title numbers accordingly

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

The report was adopted.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

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.

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

The report was adopted.

Anderson, P., from the Committee on Agriculture Policy to which was referred:

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.

Reported the same back with the following amendments:

Page 2, delete section 3 and insert:

"Sec. 3. Minnesota Statutes 2016, section 103F.48, subdivision 1, is amended to read:

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

(b) "Board" means the Board of Water and Soil Resources.

(c) "Buffer" means an area consisting of perennial vegetation, excluding invasive plants and noxious weeds, adjacent to all bodies of water within the state and that protects the water resources of the state from runoff pollution; stabilizes soils, shores, and banks; and protects or provides riparian corridors.

(d) "Buffer protection map" means buffer maps established and maintained by the commissioner of natural resources.

(e) "Commissioner" means the commissioner of natural resources.

(f) "Executive director" means the executive director of the Board of Water and Soil Resources.

(g) "Local water management authority" means a watershed district, metropolitan water management organization, or county operating separately or jointly in its role as local water management authority under chapter 103B or 103D.

(h) "Normal water level" means the level evidenced by the long-term presence of surface water as indicated directly by hydrophytic plants or hydric soils or indirectly determined via hydrological models or analysis.

(i) "Public waters" ~~has the meaning given in section 103G.005, subdivision 15. The term means public waters as used in this section applies to waters~~ that are on the public waters inventory as provided in section 103G.201.

(j) "With jurisdiction" means a ~~board determination that the county or watershed district~~ that has adopted a rule, ordinance, or official controls providing procedures for ~~the issuance of administrative penalty orders, enforcement, and appeals for purposes of this section and section 103B.101, subdivision 12a~~ and that has notified the board."

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

The report was adopted.

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

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.

Reported the same back with the following amendments:

Page 1, line 12, after the period, insert "The commissioner, after consulting with stakeholders, may implement this section utilizing existing efforts. The commissioner must develop the plan using existing resources available for this purpose."

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. 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; modifying appraisal fees; amending Minnesota Statutes 2016, section 117.189.

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

The report was adopted.

Scott from the Committee on Civil Law and Data Practices Policy to which was referred:

H. F. No. 2067, A bill for an act relating to uniform acts; voidable transactions; modifying definition of transfer; amending Minnesota Statutes 2016, section 513.41.

Reported the same back with the following amendments:

Page 5, after line 2, insert:

"EFFECTIVE DATE. This section is effective the day following final enactment, and applies to all pending cases and to causes of action arising before, on, or after that date."

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. 2073, A bill for an act relating to campaign finance; repealing the public subsidy program; providing for voluntary pledges to abide by expenditure limits and certain other sections; amending Minnesota Statutes 2016, sections 10A.01, subdivision 26; 10A.105, subdivision 1; 10A.15, subdivision 1; 10A.245, subdivision 2; 10A.25, subdivisions 1, 10; 10A.257, subdivision 1; 10A.27, subdivision 10; 10A.322, subdivision 1; 10A.38; repealing

Minnesota Statutes 2016, sections 10A.30; 10A.31, subdivisions 1, 3, 3a, 4, 5, 5a, 6, 6a, 7, 7a, 10, 10a, 10b, 11; 10A.315; 10A.321; 10A.322, subdivisions 2, 4; 10A.323; 10A.324, subdivisions 1, 3; Minnesota Rules, parts 4503.1400, subparts 2, 3, 4, 5, 6, 7, 8, 9; 4503.1450.

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

The report was adopted.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 2090, A bill for an act relating to education; state government; modifying Department of Education data auditing procedures; providing for rulemaking; amending Minnesota Statutes 2016, section 127A.41, subdivision 3.

Reported the same back with the following amendments:

Page 1, line 15, after "14" insert ", including section 14.386."

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

The report was adopted.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 2174, A bill for an act relating to local government; authorizing Ramsey County to select positions for a supported work program; amending Minnesota Statutes 2016, section 383A.288, subdivision 1, by adding a subdivision.

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

The report was adopted.

Scott from the Committee on Civil Law and Data Practices Policy to which was referred:

H. F. No. 2230, A bill for an act relating to transportation; authorizing the Metropolitan Council and counties to contract for use of railroad or mass transit right-of-way; regulating civil liability; proposing coding for new law in Minnesota Statutes, chapter 473.

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. 2259, 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.

Reported the same back with the following amendments:

Page 2, after line 31, insert:

"(5) use the data collection system under clause (4) to calculate the total aid to each child for the programs listed in section 119C.01, subdivision 5;

(6) evaluate the aid limit under section 119C.04, subdivision 3, and recommend changes to that subdivision;"

Page 3, line 1, delete "(5)" and insert "(7)"

Page 3, line 3, delete "(6)" and insert "(8)"

Page 3, line 5, delete "(7)" and insert "(9)"

Page 3, line 7, delete "(8)" and insert "(10)"

Page 3, line 25, after "(a)" insert "In addition to other program requirements,"

Page 4, line 11, before "For" insert "(a)"

Page 4, after line 16, insert:

"(b) Each early education program defined in section 119C.01, subdivision 5, must continue to receive state funding according to the formulas in statute for that program."

Page 4, line 17, delete "2017" and insert "2019"

Page 5, line 12, delete "and"

Page 5, after line 12, insert:

"(6) integrating the data collection systems of the child care assistance program and other early education and development programs currently administered by the Department of Education, the Department of Human Services, and the Department of Health; and"

Page 5, line 13, delete "(6)" and insert "(7)"

Page 6, delete lines 20 and 21 and insert "in Minnesota Statutes, chapter 119C, the early education programs defined and transferred to the director of early education and development under section 1."

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

The report was adopted.

Runbeck from the Committee on Transportation and Regional Governance Policy to which was referred:

H. F. No. 2264, A bill for an act relating to transportation; governing speed limits in Hastings; establishing a moratorium; requiring a legislative report.

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

The report was adopted.

Dettmer from the Veterans Affairs Division to which was referred:

H. F. No. 2276, A bill for an act relating to veterans; designating July 16 as Atomic Veterans Day; proposing coding for new law in Minnesota Statutes, chapter 10.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 33, 68, 559, 696, 740, 837, 857, 943, 944, 1012, 1105, 1195, 1229, 1243, 1371, 1393, 1717, 1725, 1732, 1888, 2058, 2067, 2174 and 2276 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Davids introduced:

H. F. No. 2328, A bill for an act relating to taxation; sales and use; modifying the exemption for Super Bowl admissions; requiring certain reimbursements by the Minnesota Sports Facilities Commission; amending Minnesota Statutes 2016, section 297A.68, subdivision 9.

The bill was read for the first time and referred to the Committee on Taxes.

Dehn, R., and Loeffler introduced:

H. F. No. 2329, A bill for an act relating to capital investment; appropriating money for expansion of the Minneapolis Emergency Operations Center and Fire Training Facility; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Public Safety and Security Policy and Finance.

Loeffler introduced:

H. F. No. 2330, A bill for an act relating to environment; establishing advisory task force on green roofs; requiring a report; appropriating money.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Policy and Finance.

Maye Quade, Lee, Becker-Finn, Kunesh-Podein, Omar and Flanagan introduced:

H. F. No. 2331, A bill for an act relating to education; creating the Increase Teachers of Color Act; seeking to double the number of teachers of color and American Indian teachers in Minnesota from four percent to eight percent while ensuring that by 2020, at least 20 percent of candidates in pathways to becoming a teacher are of color or American Indian; requiring a report; appropriating money; amending Minnesota Statutes 2016, sections 120B.11, subdivisions 2, 3; 122A.09, subdivisions 4, 4a; 122A.18, subdivision 2; 122A.414, subdivision 2; 122A.70; 124D.09, subdivision 10; 136A.1791; Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision 12, as amended.

The bill was read for the first time and referred to the Committee on Education Innovation Policy.

Moran introduced:

H. F. No. 2332, A bill for an act relating to public safety; providing for qualifications and training of school resource officers; requiring a report; proposing coding for new law in Minnesota Statutes, chapter 626.

The bill was read for the first time and referred to the Committee on Public Safety and Security Policy and Finance.

Omar introduced:

H. F. No. 2333, A bill for an act relating to economic development; appropriating money for loans to small businesses run by East African women.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Murphy, E., introduced:

H. F. No. 2334, A bill for an act relating to health; providing for attorney general review and approval of conversions by nonprofit health maintenance organizations and nonprofit health service plan corporations; specifying notice and review requirements; establishing standards for distribution of certain assets; amending Minnesota Statutes 2016, section 317A.811, subdivision 1, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 62D.

The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy.

Smith introduced:

H. F. No. 2335, A bill for an act relating to taxation; Tax Court; excluding from evidence certain classified assessor's data; amending Minnesota Statutes 2016, section 271.06, subdivision 6.

The bill was read for the first time and referred to the Committee on Taxes.

Anderson, S., introduced:

H. F. No. 2336, A bill for an act relating to taxation; individual income; requiring the commissioner of revenue to implement a free electronic filing system for individual income tax returns; requiring reports; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 270C.

The bill was read for the first time and referred to the Committee on State Government Finance.

Becker-Finn, O'Neill, Lee, Franke and Maye Quade introduced:

H. F. No. 2337, A bill for an act relating to public safety; establishing targeted domestic violence prevention programming; appropriating money.

The bill was read for the first time and referred to the Committee on Public Safety and Security Policy and Finance.

Maye Quade, Omar, Lee, Moran, Kunesh-Podein, Allen, Mariani and Flanagan introduced:

H. F. No. 2338, A bill for an act relating to economic development; establishing the Office of Economic Equity and Opportunity; amending Minnesota Statutes 2016, section 116J.401, subdivision 2.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Rosenthal and Lien introduced:

H. F. No. 2339, A bill for an act relating to taxation; income; providing tax credits to encourage charitable contributions; establishing an endow Minnesota program; requiring reports; appropriating money; amending Minnesota Statutes 2016, sections 290.0131, by adding a subdivision; 290.0133, by adding a subdivision; 290.06, by adding a subdivision; 297I.20, by adding a subdivision; 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.

Davids and Mahoney introduced:

H. F. No. 2340, A bill for an act relating to taxation; sales and use; clarifying taxation on privilege of admission; providing exemptions; amending Minnesota Statutes 2016, sections 297A.61, subdivision 3; 297A.67, by adding subdivisions.

The bill was read for the first time and referred to the Committee on Taxes.

Masin introduced:

H. F. No. 2341, A bill for an act relating to capital investment; appropriating money for remediation of the Freeway Landfill and construction of a lined landfill in Burnsville; 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.

Hamilton introduced:

H. F. No. 2342, A bill for an act relating to health insurance; regulating the use of step therapy for the coverage of prescription drugs; 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.

Marquart introduced:

H. F. No. 2343, A bill for an act relating to human services; modifying certain background study requirements; amending Minnesota Statutes 2016, section 245C.08, subdivisions 1, 3.

The bill was read for the first time and referred to the Committee on Health and Human Services Reform.

Marquart introduced:

H. F. No. 2344, A bill for an act relating to transportation; providing an annual appropriation for the small cities assistance account; amending Minnesota Statutes 2016, section 162.145, subdivision 2.

The bill was read for the first time and referred to the Committee on Transportation Finance.

Marquart introduced:

H. F. No. 2345, A bill for an act relating to taxation; property; providing an extension for filing the special agricultural homestead application; amending Minnesota Statutes 2016, section 273.124, subdivision 13.

The bill was read for the first time and referred to the Committee on Taxes.

Marquart introduced:

H. F. No. 2346, A bill for an act relating to taxation; property; modifying the definition of agricultural purposes for class 2 properties; amending Minnesota Statutes 2016, section 273.13, subdivision 23.

The bill was read for the first time and referred to the Committee on Taxes.

Marquart introduced:

H. F. No. 2347, A bill for an act relating to public safety; authorizing volunteer emergency responders to use flashing warning lights in certain instances; amending Minnesota Statutes 2016, sections 169.58, subdivision 2; 169.59, subdivision 4; 169.64, subdivision 3.

The bill was read for the first time and referred to the Committee on Transportation and Regional Governance Policy.

Pryor, Bernardy, Lee, Youakim, Kunesh-Podein and Allen introduced:

H. F. No. 2348, A resolution expressing support for the continuation of, and urging the Congress of the United States to take immediate action to permanently reauthorize the Perkins Loan Program in its entirety and original form.

The bill was read for the first time and referred to the Committee on Higher Education and Career Readiness Policy and Finance.

Lien introduced:

H. F. No. 2349, A bill for an act relating to the city of Moorhead; extending the five-year rule for a tax increment financing district.

The bill was read for the first time and referred to the Committee on Taxes.

Fischer and Lillie introduced:

H. F. No. 2350, A bill for an act relating to workforce development; appropriating money for an advanced digital technology center for orthotics and prosthetics.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Ward, Sandstede and Flanagan introduced:

H. F. No. 2351, A bill for an act relating to education; modifying the qualifications of the board of the Perpich Center for Arts Education; modifying the qualifications of certain employees; requiring a report; amending Minnesota Statutes 2016, section 129C.10, subdivisions 1, 3b, 4.

The bill was read for the first time and referred to the Committee on Education Innovation Policy.

Jessup introduced:

H. F. No. 2352, A bill for an act relating to commerce; regulating franchise agreement terms; amending Minnesota Statutes 2016, section 80C.14, subdivision 2, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform.

Petersburg introduced:

H. F. No. 2353, A bill for an act relating to transportation; specifying control over access to a frontage road that is tied to a highway access; amending Minnesota Statutes 2016, section 160.18, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Transportation and Regional Governance Policy.

Pugh introduced:

H. F. No. 2354, A bill for an act relating to elections; providing a deadline for entering certain voter registration application data into the statewide voter registration system; amending Minnesota Statutes 2016, section 201.121, subdivision 1.

The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy.

Thissen, Hamilton, Mahoney, Baker and Maye Quade introduced:

H. F. No. 2355, A bill for an act relating to solar energy; increasing the maximum capacity of community solar gardens; amending Minnesota Statutes 2016, section 216B.1641.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Daniels introduced:

H. F. No. 2356, A bill for an act relating to higher education; requiring a program for students with intellectual and developmental disabilities at certain state universities; requesting a similar program at University of Minnesota campuses; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 136F; 137.

The bill was read for the first time and referred to the Committee on Higher Education and Career Readiness Policy and Finance.

Hornstein introduced:

H. F. No. 2357, A bill for an act relating to natural resources; establishing process to rename certain water bodies; amending Minnesota Statutes 2016, section 83A.05, subdivision 1, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Policy and Finance.

Schomacker introduced:

H. F. No. 2358, A bill for an act relating to workforce development; providing employment transitions for youth with disabilities; requiring a report; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116L.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Loon introduced:

H. F. No. 2359, A bill for an act relating to education finance; clarifying the career and technical revenue program; amending Minnesota Statutes 2016, section 124D.4531, subdivisions 1, 1a, 1b; repealing Minnesota Statutes 2016, section 124D.4531, subdivision 3a.

The bill was read for the first time and referred to the Committee on Education Finance.

Loon introduced:

H. F. No. 2360, A bill for an act relating to education finance; clarifying transition revenue; amending Minnesota Statutes 2016, section 126C.10, subdivisions 31, 32, 33.

The bill was read for the first time and referred to the Committee on Education Finance.

Nornes, Schultz, Hausman and Omar introduced:

H. F. No. 2361, A bill for an act relating to capital investment; appropriating money for higher education asset preservation and replacement (HEAPR) at the University of Minnesota and Minnesota State Colleges and Universities; authorizing the sale and 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.

Johnson, B., and Cornish introduced:

H. F. No. 2362, A bill for an act relating to public safety; establishing an electronic scrap vehicle transaction report; requiring a stolen vehicle inquiry; amending Minnesota Statutes 2016, section 168A.1501, subdivision 9, by adding subdivisions; repealing Minnesota Statutes 2016, section 168A.1501, subdivision 6.

The bill was read for the first time and referred to the Committee on Transportation and Regional Governance Policy.

Swedzinski, Slocum and Rosenthal introduced:

H. F. No. 2363, A bill for an act relating to commerce; enacting and modifying the Revised Uniform Athlete Agents Act; amending Minnesota Statutes 2016, section 45.011, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 81A; repealing Minnesota Statutes 2016, sections 81A.01; 81A.02; 81A.03; 81A.04; 81A.05; 81A.06; 81A.07; 81A.09; 81A.10; 81A.11; 81A.12; 81A.13; 81A.14; 81A.15; 81A.16; 81A.17; 81A.19; 81A.20; 81A.21.

The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform.

Cornish introduced:

H. F. No. 2364, A bill for an act relating to public safety; requiring a warrant to obtain blood or urine samples; providing for license revocation; establishing guidelines for license revocation hearings; amending Minnesota Statutes 2016, sections 169A.03, subdivision 21; 169A.20, subdivision 2; 169A.51, subdivisions 2, 4; proposing coding for new law in Minnesota Statutes, chapter 171; repealing Minnesota Statutes 2016, section 169A.51, subdivision 3.

The bill was read for the first time and referred to the Committee on Public Safety and Security Policy and Finance.

Slocum introduced:

H. F. No. 2365, A bill for an act relating to civil commitment; modifying the priorities for the admission of committed patients to treatment facilities; removing the 48-hour requirement for admission of patients from jail or a correctional institution; amending Minnesota Statutes 2016, section 253B.10, subdivision 1.

The bill was read for the first time and referred to the Committee on Health and Human Services Reform.

Ecklund introduced:

H. F. No. 2366, A bill for an act relating to state government; transferring the duties of the Minnesota Historical Preservation Office to the Department of Administration; requiring a report; appropriating money; amending Minnesota Statutes 2016, section 138.081.

The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy.

Haley; Hoppe; Baker; Howe; Murphy, M.; Johnson, S.; Mahoney; Hausman; Marquart; Metsa; Jessup and Layman introduced:

H. F. No. 2367, A bill for an act relating to economic development; creating the snow angel grant program to fund capital improvements to skiing-related businesses; appropriating money.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Dettmer introduced:

H. F. No. 2368, A bill for an act relating to military affairs; authorizing transfer of funds to address deficit in enlistment incentives program.

The bill was read for the first time and referred to the Committee on State Government Finance.

Neu; Johnson, B., and Mahoney introduced:

H. F. No. 2369, A bill for an act relating to economic development; appropriating money for a grant to Enterprise Minnesota, Inc.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Hertaus introduced:

H. F. No. 2370, A bill for an act relating to workforce development; appropriating money for job skills training for recently released inmates.

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. 2371, A bill for an act relating to taxation; sales and use; authorizing the city of Excelsior to impose a local sales and use tax.

The bill was read for the first time and referred to the Committee on Taxes.

Johnson, C., introduced:

H. F. No. 2372, A bill for an act relating to taxation; property; allowing agricultural classification of land converted from agricultural use for environmental purposes; amending Minnesota Statutes 2016, section 273.13, subdivision 23.

The bill was read for the first time and referred to the Committee on Taxes.

Liebling introduced:

H. F. No. 2373, A bill for an act relating to human services; requiring home and community-based services providers to document certain information and submit certain data; requiring the commissioner of human services to study consolidating the four disability home and community-based waivers; appropriating money; amending Minnesota Statutes 2016, sections 256B.4912, by adding subdivisions; 256B.4914, subdivision 5.

The bill was read for the first time and referred to the Committee on Health and Human Services Reform.

Haley introduced:

H. F. No. 2374, A bill for an act relating to higher education; creating workforce development scholarships; appropriating money; 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.

Murphy, M., and West introduced:

H. F. No. 2375, A bill for an act relating to retirement; Minnesota State Retirement System; providing general state employees retirement plan coverage for employees of the National Sports Center Foundation; amending Minnesota Statutes 2016, section 352.01, subdivision 2a.

The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy.

Torkelson introduced:

H. F. No. 2376, A bill for an act relating to transportation finance; modifying an appropriation for state road construction; amending Laws 2015, chapter 75, article 1, section 3, subdivision 3.

The bill was read for the first time and referred to the Committee on Civil Law and Data Practices Policy.

Dean, M., introduced:

H. F. No. 2377, A bill for an act relating to health care; requiring health plan companies to provide enrollees access to participating primary care providers; requiring health plan companies to contract with certain primary care providers; proposing coding for new law in Minnesota Statutes, chapter 62Q; repealing Minnesota Statutes 2016, section 62Q.57.

The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform.

Baker introduced:

H. F. No. 2378, A bill for an act relating to education finance; creating a grant program for online access to music education for children and students in rural Minnesota; appropriating money; requiring a report.

The bill was read for the first time and referred to the Committee on Education Finance.

Schultz and Olson introduced:

H. F. No. 2379, A bill for an act relating to health; authorizing minor consent for HPV vaccinations; amending Minnesota Statutes 2016, section 144.3441.

The bill was read for the first time and referred to the Committee on Health and Human Services Reform.

Considine, Omar, Mahoney, Maye Quade, Bly, Kunes-Podein, Nelson, Metsa, Cornish, Davids, Pierson and Loonan introduced:

H. F. No. 2380, A bill for an act relating to public safety; allowing certain defendants to appear by interactive video teleconferencing; proposing coding for new law in Minnesota Statutes, chapter 629.

The bill was read for the first time and referred to the Committee on Public Safety and Security Policy and Finance.

Considine, Omar, Mahoney, Maye Quade, Bly, Kunes-Podein, Nelson, Metsa, Cornish, Davids, Rarick, Pierson and Loonan introduced:

H. F. No. 2381, A bill for an act relating to public safety; extending immunity for underage possession or consumption of alcohol to persons assisting another who remains on the scene; amending Minnesota Statutes 2016, section 340A.503, subdivision 8.

The bill was read for the first time and referred to the Committee on Public Safety and Security Policy and Finance.

Considine, Omar, Mahoney, Maye Quade, Bly, Kunes-Podein, Nelson, Metsa, Cornish, Davids, Rarick and Loonan introduced:

H. F. No. 2382, A bill for an act relating to contracts; regulating residential tenants and cellular telephone contracts; requiring a cover sheet with summary; proposing coding for new law in Minnesota Statutes, chapters 325F; 504B.

The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform.

Carlson, A.; Maye Quade; Freiberg; Kunes-Podein and Bly introduced:

H. F. No. 2383, A bill for an act relating to energy; modifying eligibility for loans to include manufacturers of clean energy technologies; amending Minnesota Statutes 2016, section 216C.145, subdivisions 1, 3, 5.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Hausman; Carlson, L.; Sauke; Considine; Poppe; Lillie; Ecklund; Dehn, R.; Hansen; Marquart; Murphy, E.; Omar; Koegel; Clark; Bernardy; Fischer; Schultz; Carlson, A.; Johnson, C., and Olson introduced:

H. F. No. 2384, A bill for an act relating to capital investment; authorizing spending to acquire and better public land and buildings and other improvements of a capital nature with certain conditions; modifying previous appropriations; establishing new programs and modifying existing programs; authorizing the sale and issuance of state bonds; appropriating money; amending Minnesota Statutes 2016, sections 16A.967; 84.946, subdivision 2; 85.34, subdivision 1; 363A.36; 363A.44, subdivision 1; 446A.072; 446A.073; 446A.081, subdivision 9; 446A.12, subdivision 1; 462A.37, subdivisions 1, 2, 2a, 2b, 5, by adding a subdivision; Laws 2014, chapter 294, article 1,

section 17, subdivision 12; Laws 2015, First Special Session chapter 5, article 1, section 10, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 219; repealing Minnesota Statutes 2016, section 123A.446.

The bill was read for the first time and referred to the Committee on Capital Investment.

Franke and Jurgens introduced:

H. F. No. 2385, A bill for an act relating to mass transit; appropriating money for the Red Rock Corridor transitway demonstration project.

The bill was read for the first time and referred to the Committee on Transportation Finance.

O'Neill introduced:

H. F. No. 2386, A bill for an act relating to energy; establishing low electricity rates as a state policy goal; amending Minnesota Statutes 2016, section 216C.05, subdivision 2.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Hoppe introduced:

H. F. No. 2387, A bill for an act relating to solid waste; specifying waste management methods for certain types of waste; 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.

Flanagan, Moran and Pinto introduced:

H. F. No. 2388, A bill for an act relating to human services; modifying the at-home infant child care program; appropriating money; amending Minnesota Statutes 2016, section 119B.035, subdivisions 1, 2, 4, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Health and Human Services Reform.

Gruenhagen, Franson, Hamilton, Zerwas and Baker introduced:

H. F. No. 2389, A bill for an act relating to human services; establishing a study on use of acupuncture for pain relief to reduce opioid prescriptions; requiring a report; appropriating money.

The bill was read for the first time and referred to the Committee on Health and Human Services Reform.

Murphy, M., and Albright introduced:

H. F. No. 2390, A bill for an act relating to retirement; statewide and major local public retirement plans; modifying provisions for purchasing salary or service credit for periods during which the member receives workers' compensation; amending Minnesota Statutes 2016, sections 352.017; 353.0162; 354.72; 354A.096; repealing Minnesota Statutes 2016, section 352.01, subdivision 13a.

The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy.

Franson introduced:

H. F. No. 2391, A bill for an act relating to financial institutions; regulating retirement, health savings, and medical savings accounts; providing asset protection; amending Minnesota Statutes 2016, sections 47.75, subdivision 1; 48.15, subdivision 4.

The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform.

Barr, R., introduced:

H. F. No. 2392, A bill for an act relating to health care; permitting drugs used for weight loss to be covered under the medical assistance program; amending Minnesota Statutes 2016, section 256B.0625, subdivision 13d.

The bill was read for the first time and referred to the Committee on Health and Human Services Reform.

Albright and Nornes introduced:

H. F. No. 2393, A bill for an act relating to state government; public employee collective bargaining; modifying Minnesota State Colleges and Universities provisions; amending Minnesota Statutes 2016, section 43A.06, subdivision 1.

The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy.

Flanagan, Becker-Finn, Allen, Kunes-Podein and Baker introduced:

H. F. No. 2394, A bill for an act relating to health; appropriating money for grants to prevent opioid overdoses in Minnesota's American Indian communities.

The bill was read for the first time and referred to the Committee on Health and Human Services Reform.

Allen, Mariani, Ward, Olson, Pryor, Lee, Flanagan, Clark and Kunes-Podein introduced:

H. F. No. 2395, A bill for an act relating to human services; appropriating money for mental health treatment for communities of color.

The bill was read for the first time and referred to the Committee on Health and Human Services Reform.

Poston introduced:

H. F. No. 2396, A bill for an act relating to local government; appropriating money to Wadena County for human services expenditures.

The bill was read for the first time and referred to the Committee on Health and Human Services Reform.

Flanagan, Poston, Kunesh-Podein, Becker-Finn and Allen introduced:

H. F. No. 2397, A bill for an act relating to human services; appropriating money for peer-run respite services.

The bill was read for the first time and referred to the Committee on Health and Human Services Reform.

Zerwas and Nornes introduced:

H. F. No. 2398, A bill for an act relating to autism services; appropriating money for grants to Minnesota Life College.

The bill was read for the first time and referred to the Committee on Higher Education and Career Readiness Policy and Finance.

Albright, Kresha, Schomacker, Hamilton and Slocum introduced:

H. F. No. 2399, A bill for an act relating to human services; increasing payment rates for direct support services; appropriating money.

The bill was read for the first time and referred to the Committee on Health and Human Services Reform.

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 bills to be placed on the Calendar for the Day for Monday, March 13, 2017 and established a prefiling requirement for amendments offered to the following bills:

H. F. Nos. 5 and 1890.

CALENDAR FOR THE DAY

H. F. No. 5 was reported to the House.

Murphy, E., offered an amendment to H. F. No. 5, the fourth engrossment.

POINT OF ORDER

Albright raised a point of order pursuant to rule 3.21 that the Murphy, E., amendment was not in order. Speaker pro tempore Garofalo ruled the point of order well taken and the Murphy, E., amendment out of order.

Hortman appealed the decision of Speaker pro tempore Garofalo.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of Speaker pro tempore Garofalo stand as the judgment of the House?" and the roll was called. There were 75 yeas and 53 nays as follows:

Those who voted in the affirmative were:

Albright	Dean, M.	Haley	Layman	Peppin	Theis
Anderson, P.	Dettmer	Hamilton	Lohmer	Petersburg	Torkelson
Anderson, S.	Drazkowski	Heintzeman	Loon	Peterson	Uglen
Anselmo	Erickson	Hertaus	Loonan	Pierson	Urdahl
Backer	Fabian	Hoppe	Lucero	Poston	Vogel
Bahr, C.	Fenton	Howe	Lueck	Pugh	West
Baker	Franke	Jessup	McDonald	Quam	Whelan
Barr, R.	Franson	Johnson, B.	Miller	Rarick	Wills
Bennett	Garofalo	Jurgens	Nash	Runbeck	Zerwas
Bliss	Green	Kiel	Neu	Schomacker	Spk. Daudt
Christensen	Grossell	Knoblach	Newberger	Scott	
Cornish	Gruenhagen	Koznick	Nornes	Smith	
Davids	Gunther	Kresha	O'Neill	Swedzinski	

Those who voted in the negative were:

Allen	Davnie	Hilstrom	Liebling	Metsa	Pryor
Applebaum	Dehn, R.	Hornstein	Lien	Moran	Rosenthal
Becker-Finn	Ecklund	Hortman	Lillie	Murphy, E.	Sandstede
Bernardy	Fischer	Johnson, C.	Loeffler	Nelson	Sauke
Bly	Flanagan	Johnson, S.	Mahoney	Olson	Slocum
Carlson, A.	Freiberg	Koegel	Mariani	Omar	Sundin
Carlson, L.	Halverson	Kunesh-Podein	Marquart	Pelowski	Wagenius
Clark	Hansen	Lee	Masin	Pinto	Youakim
Considine	Hausman	Lesch	Maye Quade	Poppe	

So it was the judgment of the House that the decision of Speaker pro tempore Garofalo should stand.

Johnson, C., moved to amend H. F. No. 5, the fourth engrossment, as follows:

Delete everything after the enacting clause and insert:

"Section 1. **MINNESOTACARE PURCHASE OPTION; FEDERAL WAIVER REQUEST.**

Subdivision 1. **Federal waiver request.** (a) The commissioner of human services shall seek necessary federal waiver authority to establish a program that allows individuals with income above the maximum income eligibility limit under Minnesota Statutes, section 256L.04, subdivision 1 or 7, and who otherwise meet the MinnesotaCare eligibility requirements including, but not limited to, Minnesota Statutes, sections 256L.04, 256L.07, and 256L.09, the option of purchasing coverage through MinnesotaCare instead of purchasing a qualified health plan through MNsure as defined under Minnesota Statutes, section 62V.02, or an individual health plan offered outside of MNsure.

(b) The commissioner shall also seek necessary federal waiver authority, for individuals who qualify under paragraph (a) who choose to purchase the MinnesotaCare option, to use advanced tax credits and cost-sharing credits, if eligible, to purchase this option.

(c) The commissioner shall also seek necessary federal waiver authority to permit the MinnesotaCare purchase option to be offered through MNsure as a coverage option and to be compared with qualified health plans offered through MNsure.

Subd. 2. **Program establishment and criteria.** (a) The MinnesotaCare purchase option shall coordinate the administration of the purchase option with the MinnesotaCare program to maximize efficiency and improve the continuity of care, consistent with the requirements of Minnesota Statutes, sections 256L.06, 256L.10, 256L.11, 256L.12, and 256L.121. The commissioner shall seek to implement mechanisms to ensure the long-term financial sustainability of MinnesotaCare and mitigate any adverse financial impacts to MNsure. These mechanisms must address issues related to minimizing adverse selection, the state financial risk and contribution, and negative impacts to premiums in the individual and group insurance market both inside and outside of MNsure.

(b) The purchase option shall include, at a minimum, the following:

(1) establishment of an annual per enrollee premium rate similar to the average rate paid by the state to managed care plan contractors under Minnesota Statutes, section 256L.12;

(2) establishment of a benefit set equal to the benefits covered under MinnesotaCare under Minnesota Statutes, section 256L.03;

(3) limiting annual enrollment to the same annual open enrollment periods established for MNsure;

(4) ability of the commissioner to adjust the purchase option's actuarial value to a value no lower than 87 percent;

(5) reimbursement mechanisms for addressing potential reductions in funding for MNsure operations; and

(6) reimbursement mechanisms for addressing potential increased cost to the MinnesotaCare program under Minnesota Statutes, chapter 256L.

Subd. 3. **Report.** The commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance by March 1, 2018, on the progress of receiving a federal waiver and the results from actuarial and economic analyses that are necessary for a waiver proposal. The commissioner shall also make recommendations on any legislative changes necessary to implement the program described in this section. Any implementation of this waiver that requires a state financial contribution shall be contingent on further legislative action approving the state's contribution."

Amend the title accordingly

A roll call was requested and properly seconded.

Johnson, C., moved to amend the Johnson, C., amendment to H. F. No. 5, the fourth engrossment, as follows:

Page 1, delete line 2 and insert:

"Page 11, after line 26, insert:"

Page 2, after line 23, insert:

"Page 13, line 11, delete "19" and insert "20"

Renumber the sections in sequence and correct the internal references"

A roll call was requested and properly seconded.

The question was taken on the Johnson, C., amendment to the Johnson, C., amendment and the roll was called. There were 55 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Allen	Dehn, R.	Hortman	Loeffler	Nelson	Slocum
Applebaum	Ecklund	Johnson, C.	Mahoney	Olson	Sundin
Becker-Finn	Fischer	Johnson, S.	Mariani	Omar	Thissen
Bernardy	Flanagan	Koegel	Marquart	Pelowski	Wagenius
Bly	Freiberg	Kunesh-Podein	Masin	Pinto	Youakim
Carlson, A.	Halverson	Lee	Maye Quade	Poppe	
Carlson, L.	Hansen	Lesch	Metsa	Pryor	
Clark	Hausman	Liebling	Moran	Rosenthal	
Considine	Hilstrom	Lien	Murphy, E.	Sandstede	
Davnie	Hornstein	Lillie	Murphy, M.	Sauke	

Those who voted in the negative were:

Albright	Dean, M.	Haley	Layman	Peppin	Theis
Anderson, P.	Dettmer	Hamilton	Lohmer	Petersburg	Torkelson
Anderson, S.	Drazkowski	Heintzeman	Loon	Peterson	Uglen
Anselmo	Erickson	Hertaus	Loonan	Pierson	Urdahl
Backer	Fabian	Hoppe	Lucero	Poston	Vogel
Bahr, C.	Fenton	Howe	Lueck	Pugh	West
Baker	Franke	Jessup	McDonald	Quam	Whelan
Barr, R.	Franson	Johnson, B.	Miller	Rarick	Wills
Bennett	Garofalo	Jurgens	Nash	Runbeck	Zerwas
Bliss	Green	Kiel	Neu	Schomacker	Spk. Daudt
Christensen	Grossell	Knoblach	Newberger	Scott	
Cornish	Gruenhagen	Koznick	Nornes	Smith	
Davids	Gunther	Kresha	O'Neill	Swedzinski	

The motion did not prevail and the amendment to the amendment was not adopted.

The question recurred on the Johnson, C., amendment and the roll was called. There were 54 yeas and 77 nays as follows:

Those who voted in the affirmative were:

Allen	Davnie	Hilstrom	Liebling	Metsa	Poppe
Applebaum	Dehn, R.	Hornstein	Lien	Moran	Rosenthal
Becker-Finn	Ecklund	Hortman	Lillie	Murphy, E.	Sandstede
Bernardy	Fischer	Johnson, C.	Loeffler	Murphy, M.	Sauke
Bly	Flanagan	Johnson, S.	Mahoney	Nelson	Slocum
Carlson, A.	Freiberg	Koegel	Mariani	Olson	Sundin
Carlson, L.	Halverson	Kunesh-Podein	Marquart	Omar	Thissen
Clark	Hansen	Lee	Masin	Pelowski	Wagenius
Considine	Hausman	Lesch	Maye Quade	Pinto	Youakim

Those who voted in the negative were:

Albright	Dean, M.	Haley	Layman	O'Neill	Smith
Anderson, P.	Dettmer	Hamilton	Lohmer	Peppin	Swedzinski
Anderson, S.	Drazkowski	Heintzeman	Loon	Petersburg	Theis
Anselmo	Erickson	Hertaus	Loonan	Peterson	Torkelson
Backer	Fabian	Hoppe	Lucero	Pierson	Uglen
Bahr, C.	Fenton	Howe	Lueck	Poston	Urdahl
Baker	Franke	Jessup	McDonald	Pryor	Vogel
Barr, R.	Franson	Johnson, B.	Miller	Pugh	West
Bennett	Garofalo	Jurgens	Nash	Quam	Whelan
Bliss	Green	Kiel	Neu	Rarick	Wills
Christensen	Grossell	Knoblach	Newberger	Runbeck	Zerwas
Cornish	Gruenhagen	Koznick	Nornes	Schomacker	Spk. Daudt
Davids	Gunther	Kresha	O'Driscoll	Scott	

The motion did not prevail and the amendment was not adopted.

H. F. No. 5, A bill for an act relating to insurance; health; regulating certain data practices of the premium subsidy program; creating a state-operated reinsurance program; appropriating money; amending Minnesota Statutes 2016, sections 62E.10, subdivision 2; 62E.11, subdivisions 5, 6; 297L.05, subdivisions 5, 13; Laws 2017, chapter 2, article 1, section 2, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 62E; repealing Laws 2013, chapter 9, section 15.

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 78 yeas and 53 nays as follows:

Those who voted in the affirmative were:

Albright	Barr, R.	Dean, M.	Franke	Gunther	Hoppe
Anderson, P.	Bennett	Dettmer	Franson	Haley	Howe
Anderson, S.	Bliss	Drazkowski	Garofalo	Halverson	Jessup
Anselmo	Christensen	Erickson	Green	Hamilton	Johnson, B.
Backer	Cornish	Fabian	Grossell	Heintzeman	Jurgens
Baker	Davids	Fenton	Gruenhagen	Hertaus	Kiel

Knoblach	Lueck	Nornes	Pierson	Schomacker	Urdahl
Koznick	Marquart	O'Driscoll	Poston	Scott	Vogel
Kresha	McDonald	O'Neill	Pugh	Smith	West
Layman	Miller	Pelowski	Quam	Swedzinski	Whelan
Lohmer	Nash	Peppin	Rarick	Theis	Wills
Loon	Neu	Petersburg	Runbeck	Torkelson	Zerwas
Loonan	Newberger	Peterson	Sauke	Uglen	Spk. Daudt

Those who voted in the negative were:

Allen	Considine	Hilstrom	Liebling	Metsa	Pryor
Applebaum	Davnie	Hornstein	Lien	Moran	Rosenthal
Bahr, C.	Dehn, R.	Hortman	Lillie	Murphy, E.	Sandstede
Becker-Finn	Ecklund	Johnson, C.	Loeffler	Murphy, M.	Slocum
Bernardy	Fischer	Johnson, S.	Lucero	Nelson	Sundin
Bly	Flanagan	Koegel	Mahoney	Olson	Thissen
Carlson, A.	Freiberg	Kunesh-Podein	Mariani	Omar	Wagenius
Carlson, L.	Hansen	Lee	Masin	Pinto	Youakim
Clark	Hausman	Lesch	Maye Quade	Poppe	

The bill was passed and its title agreed to.

MOTIONS AND RESOLUTIONS

Pugh moved that her name be stricken as an author on H. F. No. 5. The motion prevailed.

Runbeck moved that the name of Pugh be added as an author on H. F. No. 112. The motion prevailed.

Fenton moved that the name of O'Neill be added as an author on H. F. No. 168. The motion prevailed.

Marquart moved that the names of Hilstrom and Koegel be added as authors on H. F. No. 171. The motion prevailed.

Dettmer moved that his name be stricken as an author on H. F. No. 188. The motion prevailed.

Omar moved that the names of Considine, Hansen and Murphy, E., be added as authors on H. F. No. 189. The motion prevailed.

Lohmer moved that the name of Neu be added as an author on H. F. No. 213. The motion prevailed.

Dettmer moved that the name of Hansen be added as an author on H. F. No. 232. The motion prevailed.

Theis moved that the name of Moran be added as an author on H. F. No. 268. The motion prevailed.

Hornstein moved that the names of Considine and Hansen be added as authors on H. F. No. 313. The motion prevailed.

Davids moved that the name of Dettmer be added as an author on H. F. No. 363. The motion prevailed.

Loeffler moved that the names of Hilstrom and Koegel be added as authors on H. F. No. 516. The motion prevailed.

Urdahl moved that the name of Poston be added as an author on H. F. No. 574. The motion prevailed.

Rarick moved that the name of Maye Quade be added as an author on H. F. No. 631. The motion prevailed.

Daniels moved that the name of Freiberg be added as an author on H. F. No. 668. The motion prevailed.

Peterson moved that the name of Moran be added as an author on H. F. No. 723. The motion prevailed.

O'Driscoll moved that the name of Fenton be added as chief author on H. F. No. 729. The motion prevailed.

Hamilton moved that the name of Masin be added as an author on H. F. No. 747. The motion prevailed.

Flanagan moved that her name be stricken as an author on H. F. No. 822. The motion prevailed.

Metsa moved that the names of Hilstrom and Koegel be added as authors on H. F. No. 869. The motion prevailed.

Runbeck moved that the name of Dean, M., be added as an author on H. F. No. 913. The motion prevailed.

Runbeck moved that the name of Dean, M., be added as an author on H. F. No. 914. The motion prevailed.

Omar moved that the name of Moran be added as an author on H. F. No. 931. The motion prevailed.

Bennett moved that the name of Moran be added as an author on H. F. No. 987. The motion prevailed.

Bernardy moved that the name of Poston be added as an author on H. F. No. 1067. The motion prevailed.

Bernardy moved that the names of Hilstrom, Koegel and Pryor be added as authors on H. F. No. 1068. The motion prevailed.

Hansen moved that the name of Moran be added as an author on H. F. No. 1091. The motion prevailed.

Layman moved that the name of Haley be added as an author on H. F. No. 1161. The motion prevailed.

Thissen moved that the name of Wills be added as an author on H. F. No. 1205. The motion prevailed.

Carlson, A., moved that the names of Hilstrom and Koegel be added as authors on H. F. No. 1310. The motion prevailed.

Lien moved that the names of Hilstrom and Koegel be added as authors on H. F. No. 1320. The motion prevailed.

Applebaum moved that the names of Hilstrom and Koegel be added as authors on H. F. No. 1321. The motion prevailed.

Thissen moved that the names of Baker and Koegel be added as authors on H. F. No. 1338. The motion prevailed.

Theis moved that the name of Davids be added as an author on H. F. No. 1342. The motion prevailed.

Maye Quade moved that the name of Hilstrom be added as an author on H. F. No. 1348. The motion prevailed.

Gruenhagen moved that the names of Kiel and Ecklund be added as authors on H. F. No. 1357. The motion prevailed.

McDonald moved that the names of Anderson, S., and Newberger be added as authors on H. F. No. 1360. The motion prevailed.

Zerwas moved that the name of Maye Quade be added as an author on H. F. No. 1383. The motion prevailed.

Nornes moved that the name of Poston be added as an author on H. F. No. 1409. The motion prevailed.

Baker moved that the name of Moran be added as an author on H. F. No. 1410. The motion prevailed.

Rarick moved that the name of Baker be added as an author on H. F. No. 1416. The motion prevailed.

Zerwas moved that the name of Moran be added as an author on H. F. No. 1430. The motion prevailed.

Bliss moved that the name of Pugh be added as an author on H. F. No. 1438. The motion prevailed.

Hamilton moved that the name of Ecklund be added as an author on H. F. No. 1453. The motion prevailed.

Franson moved that the name of Moran be added as an author on H. F. No. 1458. The motion prevailed.

Pryor moved that the names of Hilstrom and Koegel be added as authors on H. F. No. 1566. The motion prevailed.

Grossell moved that the names of Whelan and Pugh be added as authors on H. F. No. 1572. The motion prevailed.

Peterson moved that the name of Moran be added as an author on H. F. No. 1583. The motion prevailed.

Quam moved that the names of Gruenhagen, Newberger, Hertaus, Drazkowski, Lohmer, Runbeck and Dettmer be added as authors on H. F. No. 1586. The motion prevailed.

Pierson moved that the name of Ecklund be added as an author on H. F. No. 1603. The motion prevailed.

Pinto moved that the name of Moran be added as an author on H. F. No. 1605. The motion prevailed.

Haley moved that the name of Lee be added as an author on H. F. No. 1607. The motion prevailed.

Hansen moved that the names of Jurgens and Franke be added as authors on H. F. No. 1621. The motion prevailed.

Lee moved that the name of Moran be added as an author on H. F. No. 1661. The motion prevailed.

Kresha moved that the name of Omar be added as an author on H. F. No. 1702. The motion prevailed.

Hamilton moved that the names of Fenton and Pugh be added as authors on H. F. No. 1714. The motion prevailed.

O'Driscoll moved that the name of Lueck be added as an author on H. F. No. 1735. The motion prevailed.

Koznick moved that the name of Pugh be added as an author on H. F. No. 1745. The motion prevailed.

Marquart moved that the name of Omar be added as an author on H. F. No. 1756. The motion prevailed.

Urdahl moved that the name of Maye Quade be added as an author on H. F. No. 1903. The motion prevailed.

Howe moved that the name of Nornes be added as an author on H. F. No. 1916. The motion prevailed.

Lillie moved that his name be stricken as an author on H. F. No. 1944. The motion prevailed.

Sundin moved that the name of Bly be added as an author on H. F. No. 1949. The motion prevailed.

Flanagan moved that the name of Bly be added as an author on H. F. No. 1965. The motion prevailed.

Albright moved that the name of Bly be added as an author on H. F. No. 1974. The motion prevailed.

Barr, R., moved that the name of Masin be added as an author on H. F. No. 1984. The motion prevailed.

Dauids moved that the name of Newberger be added as an author on H. F. No. 1985. The motion prevailed.

Albright moved that the names of Loon and Masin be added as authors on H. F. No. 1990. The motion prevailed.

Poppe moved that the name of Bly be added as an author on H. F. No. 2036. The motion prevailed.

Nash moved that the names of Pugh, Petersburg and Scott be added as authors on H. F. No. 2058. The motion prevailed.

Baker moved that the name of Bly be added as an author on H. F. No. 2066. The motion prevailed.

Urdahl moved that the names of Smith, Kresha and Poston be added as authors on H. F. No. 2077. The motion prevailed.

Franson moved that the name of Bly be added as an author on H. F. No. 2087. The motion prevailed.

Franson moved that the name of Bly be added as an author on H. F. No. 2097. The motion prevailed.

Mariani moved that the name of Bly be added as an author on H. F. No. 2109. The motion prevailed.

Lee moved that the name of Bly be added as an author on H. F. No. 2110. The motion prevailed.

Urdahl moved that the name of Hamilton be added as an author on H. F. No. 2119. The motion prevailed.

Clark moved that the name of Bly be added as an author on H. F. No. 2127. The motion prevailed.

Kresha moved that the name of Bly be added as an author on H. F. No. 2140. The motion prevailed.

Johnson, C., moved that the name of Bly be added as an author on H. F. No. 2163. The motion prevailed.

Urdahl moved that the name of Bly be added as an author on H. F. No. 2180. The motion prevailed.

Dehn, R., moved that the name of Bly be added as an author on H. F. No. 2181. The motion prevailed.

Bernardy moved that the names of Moran, Maye Quade, Mariani and Wills be added as authors on H. F. No. 2184. The motion prevailed.

Kunesh-Podein moved that the name of Hamilton be added as an author on H. F. No. 2190. The motion prevailed.

Lee moved that the name of Lueck be added as an author on H. F. No. 2206. The motion prevailed.

Peterson moved that the names of Rosenthal and Christensen be added as authors on H. F. No. 2212. The motion prevailed.

Mahoney moved that the name of Bly be added as an author on H. F. No. 2214. The motion prevailed.

Slocum moved that the name of Bly be added as an author on H. F. No. 2215. The motion prevailed.

Drazkowski moved that the name of Lohmer be added as an author on H. F. No. 2222. The motion prevailed.

Allen moved that the name of Bly be added as an author on H. F. No. 2223. The motion prevailed.

Becker-Finn moved that the name of Bly be added as an author on H. F. No. 2228. The motion prevailed.

Pugh moved that the name of Lohmer be added as an author on H. F. No. 2232. The motion prevailed.

Garofalo moved that his name be stricken as an author on H. F. No. 2233. The motion prevailed.

Hornstein moved that the name of Dehn, R., be added as an author on H. F. No. 2253. The motion prevailed.

Clark moved that the name of Ward be added as an author on H. F. No. 2263. The motion prevailed.

Poston moved that the names of Rosenthal, Zerwas, Urdahl and Ecklund be added as authors on H. F. No. 2276. The motion prevailed.

Maye Quade moved that the names of Fischer, Ward and Mahoney be added as authors on H. F. No. 2281. The motion prevailed.

Franson moved that the name of Zerwas be added as an author on H. F. No. 2304. The motion prevailed.

ADJOURNMENT

Peppin moved that when the House adjourns today it adjourn until 10:00 a.m., Tuesday, March 14, 2017. The motion prevailed.

Peppin moved that the House adjourn. The motion prevailed, and Speaker pro tempore Garofalo declared the House stands adjourned until 10:00 a.m., Tuesday, March 14, 2017.

PATRICK D. MURPHY, Chief Clerk, House of Representatives

